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JANUARY, 1923

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CONTENTS

	PAGE
ANNOUNCEMENTS.....	98
CHECKING OFF THE STEERING COMMITTEE PROGRAM.....	99
CONGRESS PROCEEDS WITH ANNUAL APPROPRIATIONS.....	100
PRESIDENT HARDING'S RECOMMENDATIONS FOR AGRICULTURAL RELIEF LEGISLATION.....	101
IMPORTANT STEPS IN DEVELOPMENT OF RURAL CREDITS SYSTEM.....	102-103
RURAL CREDITS GLOSSARY.....	104
PRESENT RURAL CREDIT FACILITIES AND NEEDS.....	105
DIGEST OF "CAPPER" AND "LENROOT-ANDERSON" RURAL CREDIT BILLS.....	105-106
SENATORS DISCUSS CAPPER BILL.....	107
FINANCIAL EXPERTS DISCUSS CAPPER BILL.....	108
SENATORS DISCUSS LENROOT BILL.....	109
CABINET MEMBERS DISCUSS LENROOT BILL.....	110
FARMERS' NATIONAL ORGANIZATIONS DISCUSS LENROOT BILL.....	111
PRESENT STATUS OF THE FARM BLOC PROGRAM IN CONGRESS.....	112
AGRICULTURAL MEASURES PENDING ON SENATE CALENDAR.....	113
AGRICULTURAL MEASURES PENDING ON HOUSE CALENDAR.....	114
CHANGES IN ORGANIZATION OF U. S. DEPARTMENT OF AGRICULTURE.....	115-116
CONGRESS DAY BY DAY.....	117-119
COMMITTEE ACTION.....	119-122
NOTES ON FOREIGN GOVERNMENTS (DIGEST OF PARLIAMENTARY DEBATES IN FRANCE AND GREAT BRITAIN).....	123-127

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The 67th Congress

Convened April 11, 1921. Will expire March 4, 1923.

FIRST SESSION began April 11, 1921. Recessed August 24, 1921, until September 21, 1921. Adjourned November 23, 1921.

SECOND SESSION began December 5, 1921. Recessed June 30, 1922, until August 15, 1922. Adjourned September 22, 1922.

THIRD SESSION began November 20, 1922. Adjourned December 4, 1922.

FOURTH SESSION began December 4, 1922. Will expire March 4, 1923.

IN THE SENATE

96 members

59 Republicans 37 Democrats

PRESIDING OFFICER

Vice-President Calvin C. Coolidge of Mass., Republican

FLOOR LEADERS

Majority Leader

Henry C. Lodge, Mass., Rep.

Minority Leader

Oscar W. Underwood, Ala., Dem.

PARTY WHIPS

Republican

Charles Curtis, Kan.

Democratic

Peter G. Gerry, R. I.

IN THE HOUSE

435 Members

300 Republicans 130 Democrats

1 Socialist 4 Vacancies

PRESIDING OFFICER

Speaker Frederick H. Gillett of Mass., Republican

FLOOR LEADERS

Majority Leader

Frank W. Mondell, Wyo., Rep.

Minority Leader

Claude Kitchin, N. C., Dem.

PARTY WHIPS

Republican

Harold Knutson, Minn.

Democratic

William A. Oldfield, Ark.

THE CONGRESSIONAL DIGEST

Vol. II

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Checking Off the Steering Committee Program

To January 25, 1923

This program represents the legislation scheduled for action by the Steering Committees of the Senate and House which are made up of leading members of the majority party in Congress.

IF Congress continues in its present steady stride, the legislative jam with which an outgoing Congress is usually confronted, will be averted by the 67th Congress, which automatically comes to an end on March 4. So rapidly have both the House and the Senate acted upon the regular appropriation bills that all records for promptness in disposing of these annual supply measures have been broken with the result that there is not nearly so much left of the programs outlined by the leaders of the two Houses as had been anticipated.

In the House

The House already has passed the ten appropriation bills for 1924, and the Second Deficiency Bill for 1923. In addition it has checked off its program the Ship Subsidy Bill (H. R. 12817), and a resolution for a Constitutional Amendment for the restriction of the issuance of tax-exemption securities (H. J. Res. 314). These two measures were placed on the Steering Committee program in accord with the recommendations emphasized in President Harding's recent messages to Congress.

To be further in consonance with the President's recommendations the House is now faced with the agricultural relief legislation. While the lead on these measures has been taken in the Senate, a number of rural credits bills were introduced in the House and are now pending before House committees. These bills the Republican leaders have agreed to take prompt care of as soon as they reach the House floor. Both houses are unanimous in their desire to put through rural credits bills and no delay is anticipated even when conference committees are appointed to smooth out possible differences between the House and Senate rural measures.

When the rural credit bills are disposed of, the House Steering Committee program will be cleared, but at this writing no definite decision has been reached by the party leaders as to what further measures shall have precedence. The problem of the House leaders is to determine in advance, if possible, which of their bills will stand the best chance with the upper branch of Congress, which is holding rigidly to a fixed program.

In the Senate

Having passed all the supply bills but three—the Army Bill, the Independent Offices Bill and the District of Columbia Bill—as well as the Capper Rural Credits Bill S. 4280—the Senate now has before it, as the Steering Committee pro-

gram, the Lenroot-Anderson Rural Credits Bill (S. 4287), and the Ship Subsidy Bill (H. R. 12817).

The Lenroot-Anderson Bill is expected to pass at any time.

The Ship Subsidy Bill, which was passed by the House on November 29 and reported back to the Senate by the Committee on Commerce on December 11, 1922, continues to be the unfinished business of the Senate, giving way only under unanimous consent agreement to the Capper and Lenroot-Anderson Rural Credits Bills.

With the passage of the Lenroot-Anderson Bill and the remaining three appropriation bills the Senate will settle down to final consideration of the Ship Subsidy measure. A final attempt to dislodge the Shipping Bill from its position as unfinished business was made on January 15 in the interests of the Norris Bill, S. 4050, providing for the purchase and sale of farm products, when a motion made by Senator Norris to displace the Ship Subsidy Bill went to a roll call and was lost. This action did not remove the Norris Bill from its regular place on the Senate Calendar but left it with little possibility for further consideration before adjournment.

In the consideration of the shipping bill, the Senate must reckon with a substitute shipping bill offered on January 20 by Senator McKellar (Democrat) of Tennessee which may win the support of the Democratic opponents of the pending bill. Senator Jones (Republican) of Washington as chairman of the Senate Committee on Commerce is in charge of the shipping bill. His present plan is to ask for a modified cloture to limit debate and bring the measure to an early vote.

The Sterling-Lehlbach Bill, H. R. 8929, for the reclassification of government employees, which has been pending final action by the Senate Committee on Appropriations, is still expected to be reported to the Senate in time for action at this session. The bill passed the House on December 15, 1921, and was favorably reported to the Senate Feb. 6, 1922, by the Senate Committee on Civil Service, but because of the salary schedules involved the bill was further referred to the Senate Committee on Appropriations. The subcommittee having it in charge is working daily on the controversial features of the bill and a favorable report is promised in time for action by the Senate before adjournment.

Legislation for the reorganization of the government departments is not so fortunately situated and will probably not come out of the hands of the joint commission having charge of it before the next regular session.

THE CONGRESSIONAL DIGEST

Congress Proceeds With Annual Appropriations

Progress Made on Annual Appropriation Bills

4th Session, 67th Congress

These tables will be continued month after month until the work on the bills has been completed.

NO. OF BILL	TITLE	REPORTED	PASSED HOUSE	REPORTED IN SENATE	PASSED SENATE	SENT TO CONFERENCE	CONFERENCE REPORT AGREED TO	DATE APPROVED	NO. OF LAW
		1922	1922	1922	1922	1922	1922	1923	
H. R. 13180	Treasury Department.....	Dec. 6	Dec. 9	Dec. 12	Dec. 12	Dec. 13	Dec. 19	Jan. 3	378
H. R. 13232	State and Justice Departments.....	Dec. 7	Dec. 12	Dec. 13	Dec. 14	Dec. 15	Dec. 19	Jan. 3	377
H. R. 13316	Commercial and Labor Departments.....	Dec. 11	Dec. 13	Dec. 14	Dec. 15	Dec. 16	Dec. 19	Jan. 5	380
H. R. 13374	Navy Department.....	Dec. 13	Dec. 18	Dec. 21	Dec. 30	Jan. 4	Jan. 10	Jan. 22
			1923	1923	1923				
H. R. 13481	Agriculture Department.....	Dec. 18	Jan. 3	Jan. 6	Jan. 13	Jan. 16			
H. R. 13559	Interior Department.....	Dec. 22	Jan. 3	Jan. 4	Jan. 5	Jan. 8	Jan. 12		
H. R. 13593	Post Office Department.....	Dec. 28	Jan. 3	Jan. 11	Jan. 13	Jan. 17			
H. R. 13615	Deficiency, second for 1923.....	Dec. 30	Jan. 4	Jan. 6	Jan. 8	Jan. 9	Jan. 11	Jan. 22	
		1923							
H. R. 13660	District of Columbia.....	Jan. 4	Jan. 8						
H. R. 13696	Independent Offices.....	Jan. 6	Jan. 12	Jan. 16	Jan. 22				
H. R. 13793	War Department.....	Jan. 12	Jan. 19						
H. R. 13926	Legislative Establishment.....	Jan. 19							

COMPARATIVE STATEMENT OF THE AMOUNTS APPROPRIATED FOR 1923, THE BUDGET ESTIMATES FOR 1924, THE AMOUNTS RECOMMENDED IN THE BILLS INTRODUCED, AND THE SUBSEQUENT AMOUNTS AS PASSED BY THE HOUSE AND SENATE, AND AMOUNTS AS AGREED TO BY THE CONFERENCE COMMITTEES OF THE SENATE AND HOUSE. THESE FIGURES ARE TENTATIVE AND ARE NOT FINAL UNTIL APPROVED BY THE PRESIDENT.

Title	Appropriations for 1923, in all acts.	Budget estimates for 1924, regular annual*	Appropriation Bills for 1924				
			No. of Bill	Amount recommended in bill for 1924 by House Com.	Amount passed by House	Amount passed by Senate	Amount agreed to in Conference
Treasury Dept.....	\$118,844,828	\$117,844,768	H. R. 13180	\$115,119,810	\$115,112,310	\$115,538,190	\$115,386,510
State and Justice Depts.....	28,676,921	33,703,293	H. R. 13232	33,188,151	33,185,051	33,448,708	33,250,421
Commerce and Labor Depts.....	25,703,693	25,891,091	H. R. 13316	25,779,101	26,079,101	26,346,101	26,295,601
Navy Dept.....	294,353,473	294,803,975	H. R. 13374	293,806,538	293,806,538	295,604,378	294,456,528
Agriculture Dept.....	46,929,173	69,031,613	H. R. 13481	68,781,553	69,068,053	73,741,653	
Interior Dept.....	297,212,065	295,358,252	H. R. 13559	294,265,300	294,347,000	294,758,000	294,674,710
Post Office Dept.....	564,174,566	590,166,191	H. R. 13593	584,614,191	584,614,191	585,222,991	
District of Columbia.....	22,851,609	23,551,130	H. R. 13660	22,624,895	22,078,607		
Independent Offices.....	538,510,922	508,341,013	H. R. 13696	496,235,771	496,235,771		
War Dept.....	330,074,738	319,773,979	H. R. 13793	314,064,294	333,654,204		
Legislative Establishment.....	14,504,164	14,418,912	H. R. 13926	12,603,376	12,601,326		
Deficiency, second for 1923.....			H. R. 13615	74,645,674	74,690,174	75,025,201	74,925,774

*These figures do not include Permanent annual appropriations. Such appropriations are those which occur automatically each year without annual action, having been created by Congress in previous years. They are as follows: \$1,326,151,093 for the Treasury Department, \$106,000 for the State Department, \$28,000 for the Department of Justice, \$3,000 for the Department of Commerce, \$25,000 for the Department of Labor, \$2,130,050 for the Navy Department, \$12,220,000 for the Department of Agriculture, \$28,349,500 for the Interior Department, \$1,512,843 for the District of Columbia, \$6,511,495 for Independent Offices, \$6,743,321 for the War Department, \$800 for Legislative Establishment.

Total Appropriations for Fiscal Years, 1875-1923

CONGRESS	DATE	APPROPRIATIONS	DATE	APPROPRIATIONS	CONGRESS	DATE	APPROPRIATIONS	DATE	APPROPRIATIONS
43rd	1875	330,441,844	1876	322,013,148	56th	1901	705,653,298	1902	730,241,862
44th	1877	299,150,124	1878	291,220,477	57th	1903	801,682,773	1904	752,741,659
45th	1879	317,924,555	1880	338,865,031	58th	1905	781,288,214	1906	818,191,283
46th	1881	332,791,077	1882	361,922,067	59th	1907	881,953,644	1908	919,163,823
47th	1883	423,827,293	1884	349,463,260	60th	1909	1,006,431,726	1910	1,044,433,622
48th	1885	306,077,469	1886	344,504,413	61st	1911	1,039,550,617	1912	1,022,759,948
49th	1887	383,245,913	1888	365,430,333	62nd	1913	1,021,349,990	1914	1,098,602,065
50th	1889	422,867,168	1890	395,430,284	63rd	1915	1,122,471,919	1916	1,114,490,704
51st	1891	463,383,480	1892	524,381,815	64th	1917	1,625,419,995	1918	18,892,027,501
52nd	1893	507,376,397	1894	519,535,293	65th	1919	27,065,148,690	1920	6,495,461,015
53rd	1895	492,477,759	1896	496,982,585	66th	1921	4,780,829,510	1922	4,066,316,366
54th	1897	515,852,380	1898	528,735,878	67th	1923	3,747,035,382	1924	(In preparation)
55th	1899	892,656,775	1900	698,912,982					

President Harding's Recommendations for Agricultural Relief Legislation

Contained in Annual Message to Congress of December 8, 1922

Rural Credit

AGRICULTURE is a vital activity in our national life. In it we had our beginning, and its westward march with the star of the empire has reflected the growth of the Republic. It has its vicissitudes which no legislation will prevent, its hardships for which no law can provide escape. But the Congress can make available to the farmer the financial facilities which have been built up under Government aid and supervision for other commercial and industrial enterprises. It may be done on the same solid fundamentals and make the vitally important agricultural industry more secure, and it must be done.

This Congress already has taken cognizance of the misfortune which precipitate deflation brought to American agriculture. Your measures of relief and the reduction of the Federal reserve discount rate undoubtedly saved the country from widespread disaster. The very proof of helpfulness already given is the strongest argument for the permanent establishment of widened credits, heretofore temporarily extended through the War Finance Corporation.

The Farm Loan Bureau, which already has proven its usefulness through the Federal land banks, may well have its powers enlarged to provide ample farm production credits as well as enlarged land credits. It is entirely practical to create a division in the Federal land banks to deal with production credits, with the limitations of time so adjusted to the farm turnover as the Federal reserve system provides for the turnover in the manufacturing and mercantile world. Special provision must be made for livestock production credits, and the limit of land loans may be safely enlarged.

Various measures are pending before you, and the best judgment of Congress ought to be expressed in a prompt enactment at the present session.

Transportation

But American agriculture needs more than added credit facilities. The credits will help to solve the pressing problems growing out of war-inflated land values and the drastic deflation of three years ago, but permanent and deserved agricultural good fortune depends on better and cheaper transportation.

Here is an outstanding problem, demanding the most rigorous consideration of the Congress and the country. It has to do with more than agriculture. It provides the channel for the flow of the country's commerce. But the farmer is particularly hard hit. His market, so affected by the world consumption, does not admit of the price adjustment to meet carrying charges. In the last half of the year now closing the railways, broken in carrying capacity because of motive power and rolling stock out of order, though insistently declaring to the contrary, embargoed his shipments or denied him cars when fortunate markets were calling. Too frequently transportation failed while perishable prod-

ucts were turning from possible profit to losses counted in tens of millions. . . .

This transportation problem cannot be waived aside. The demand for lowered costs on farm products and basic materials cannot be ignored. Rates horizontally increased, to meet increased wage outlays during the war inflation, are not easily reduced. When some very moderate wage reductions were effected last summer there was a 5 per cent horizontal reduction in rates. I sought at that time, in a very informal way, to have the railway managers go before the Interstate Commerce Commission and agree to a heavier reduction on farm products and coal and other basic commodities, and leave unchanged the freight tariffs which a very large portion of the traffic was able to bear. Neither the managers nor the commission saw fit to adopt the suggestion, so we had the horizontal reduction too slight to be felt by the higher class cargoes and too little to benefit the heavy tonnage calling most loudly for relief.

The merger of lines into systems, a facilitated interchange of freight cars, the economic use of terminals and the consolidation of facilities are suggested ways of economy and efficiency.

I remind you that Congress provided a Joint Commission of Agricultural Inquiry, which made an exhaustive investigation of car service and transportation and unanimously recommended in its report of October 15, 1921, the pooling of freight cars under a central agency. This report well deserves your serious consideration. I think well of the central agency, which shall be a creation of the railways themselves, to provide, under the jurisdiction of the Interstate Commerce Commission, the means for financing equipment for carriers which are otherwise unable to provide their proportion of car equipment adequate to transportation needs. This same agency ought to point the way to every possible economy in maintaining equipment and the necessary interchanges in railway commerce. . . .

Marketing

There are necessary studies of great problems which Congress might well initiate. The wide spread between production costs and prices which consumers pay concerns every citizen of the Republic. It contributes very largely to the unrest in agriculture and must stand sponsor for much against which we inveigh in that familiar term—the high cost of living.

No one doubts the excess is traceable to the levy of the middleman, but it would be unfair to charge him with all responsibility before we appraise what is exacted of him by our modern complex life. We have attacked the problem on one side by the promotion of cooperative marketing, and we might well inquire into the benefits of cooperative buying. Admittedly, the consumer is much to blame himself, because of his prodigal expenditure and his exaction of service, but Government might well serve to point the way of narrowing the spread of price, especially between the production of food and its consumption.—*Extracts.*

Important Steps in Development of Rural Credits System

PREVIOUS to 1910 little attention was given to the question of an improved rural credits system in the United States. About that year, however, considerable interest began to be shown and attention turned to Europe for information. The Department of State, and the American Bankers Association both made studies of European methods and published considerable data on the subject. The American delegate at the International Institute of Agriculture at Rome, added many valuable reports.

1912—Three of the principal political parties inserted in their platform a plank pledging the party to rural credits legislation. During the same year the governors of the various states at their annual meeting appointed a committee to report on the subject at their next meeting.

1913—The Southern Commercial Congress assembled a commission, consisting of two representatives from each state, to go to Europe to study European rural credit systems at first hand. This was known as the American Commission.

To accompany this commission, Congress created the United States Commission on Rural Credits. This consisted of seven members appointed by President Wilson.

1914—Following many months spent abroad, a report of some nine hundred large pages was printed as Senate Document No. 214, 63rd Congress, First Session.

Upon the report of the Commission and in connection therewith, a bill was introduced in the Senate by Senator Fletcher (S. 4246) and in the House by Mr. Moss (H. R. 12585), known as the "Fletcher-Moss" bill upon which continuous hearings were had for some weeks before a joint subcommittee from the Senate and the House Banking and Currency Committees, following which a bill was introduced in the Senate by Senator Hollis (S. 5542) and in the House by Mr. Bulkley (H. R. 16478), known as the "Hollis-Bulkley" bill. All of these bills involved plans for a land loan credit system.

1915—The two Houses being unable to agree on a bill at the close of the Sixty-third Congress, the matter was referred to a joint Committee of both Houses, authorized on the last day of the session. This committee organized immediately upon the assembly of the new congress and held extended meetings.

1916—On January 3, 1916, a bill was agreed upon by the joint committee and introduced in the House by Mr. Glass, and in the Senate by Senator Hollis. The Senate bill was passed, with amendments (vote, 57 to 5) on May 4th, and on May 5th, was presented to the House, passing that body on May 15th by a vote of 295 to 10. This bill was approved by President Wilson on July 17, 1916, and is known as the Federal Farm Loan Act.

THE FEDERAL FARM LOAN ACT

1916—By act approved July 17, 1916, known as the Federal Farm Loan Act, a "long-time" or "land mortgage" rural credit system was set up. It provided, briefly:

- (a) A central farm loan board consisting of five members including the Secretary of the Treasury, the remaining members to be appointed by the President.
- (b) Twelve land bank districts, each to have a separate Federal land bank to be managed by five directors appointed by the Federal Farm Loan Board.
- (c) That the United States Treasury should subscribe for any part of the \$750,000 original capital required for each bank, not otherwise subscribed.
- (d) That corporations known as national farm loan associations, be organized by local groups of farmers desiring to borrow money through the Federal farm loan system.
- (e) That each borrower must purchase shares in the local loan association equal to five per cent of the loan desired.

(f) That each district bank be authorized to issue bonds equal to twenty times its capital stock, based on mortgages held by the bank for loans made to farmer borrowers. Such bonds to be exempt from taxation and the money so secured re-loaned to farmers at a rate not exceeding 6 per cent per annum exclusive of amortization payments. An amortization rate of 1 per cent was adopted, which extinguishes the debt in approximately 33 years. Loans were limited to 50 per cent of the value of the land and 20 per cent of the improvements, but in no case to exceed \$10,000.00.

(g) A parallel system known as the Joint Stock Land Banks, financed by private capital, enjoying similar privileges and operating under the supervision of the Federal Farm Loan Board. The bonds and risks of this system are entirely independent of the Federal farm loan system. There is no legal limit imposed on the amount of individual loans and the rate charged borrowers may be one per cent more than the interest rate on the bonds sold. Bond issues are limited to fifteen times the amount of a Joint Stock Land Bank's capital and surplus.

1918—By act approved January 18, 1918 the Secretary of the Treasury was authorized to purchase farm loan bonds not to exceed a total of \$100,000,000 worth in each of the years 1918 and 1919. Provision was made for the repurchase of these bonds from the Treasury by the Land Banks but pending such repurchase "the temporary organization" of any Federal land bank involved, is to be continued. By joint resolution approved May 26, 1920 certain of these bond purchasing privileges were extended to June 30, 1921.

1920—Six amendments approved April 20, 1920 liberalized the administration of the Act. By amendment approved May 29, 1920 provision was made for the voluntary liquidation of any Joint Stock Land Bank.

1921—Amendment approved February 27, 1921 extended the Farm Loan Act to Porto Rico; one approved March 4, 1921 extended the bond redemption period from five to ten years. Amendment approved July 1, 1921 permitted the Secretary of the Treasury to make deposits in Federal land banks, taking farm loan bonds as security, over and above the \$6,000,000, authorized in Section 32 of the Act.

By amendment approved August 13, 1921 the interest rate on bonds was raised to "not exceed 5½ per cent per annum, but no bonds issued or sold after June 30, 1923, shall bear a rate of interest to exceed 5 per cent per annum."

THE WAR FINANCE CORPORATION

1918—The War Finance Corporation was created by act approved April 5, 1918. As now constituted, it is composed of the Secretary of the Treasury, the Secretary of Agriculture, and four directors appointed by the President. Its capital stock was fixed at \$500,000,000, all of which has been subscribed by the government. The corporation can issue its own bonds in an amount not to exceed three times its paid-in capital.

The original purpose of the War Finance Corporation was "the lending of financial assistance to persons, firms and corporations, or associations conducting business in the United States whose operations shall be necessary or contributory to the prosecution of the war" such assistance to be extended only where the applicant was unable to obtain loans through ordinary banking channels."

Shortly after the signing of the armistice the corporation discontinued advances for this purpose.

1919—"By act approved March 3, 1919, the powers of the corporation were extended to embrace an entirely new line of activity, namely, the promotion of the export trade of the United States in either of two ways: First, by making loans, for periods of not exceeding five years, to any person, firm,

THE CONGRESSIONAL DIGEST

corporation, or association engaged in the United States in the business of exporting therefrom domestic products to foreign countries, where the applicant is unable to obtain funds upon reasonable terms through banking channels, such advance to be made only for the purpose of assisting in the exportation of such products, and, second, by making loans to banks, bankers, or trust companies in the United States which make advances to any such person, firm, corporation, or association for the purpose of assisting in the exportation of domestic products to foreign countries, provided that such advance shall not exceed the amount remaining unpaid of the advance made by such bank, banker, or trust company to such exporter."

1921—"By act approved August 24, 1921, the corporation was given authority, under certain conditions, to make advances not only to exporters and banking institutions, but also to dealers in, and handlers of, agricultural products, including cooperative associations, for the purpose of financing the carrying of such products until they can be exported or sold for export in an orderly manner. Such advances may be made until July 1, 1923, for periods not exceeding one year, but the time of payment may, in the discretion of the corporation, be extended for periods not exceeding three years from the dates upon which the advances are originally made. The corporation also was authorized to make advances to persons, firms, or corporations outside of the United States who purchase our agricultural products, on condition that all notes or other instruments evidencing such advances 'shall be in terms payable within the United States, in currency of the United States, and shall be secured by adequate guarantees or endorsements in the United States, or by warehouse receipts, acceptable collateral, or other instruments in writing conveying or securing marketable title to agricultural products in the United States.'

"The act also empowered the corporation, whenever in the opinion of the board of directors the public interest may require it, to make advances to any bank, banker, or trust company in the United States, or to any cooperative association of producers, which may have made advances for agricultural purposes, including the breeding, raising, fattening, and marketing of livestock, or may have discounted or rediscounted notes, drafts, bills of exchange, or other negotiable instruments issued for such purposes. Such advances may be made until July 1, 1923, for periods not exceeding one year, with discretion in the War Finance Corporation to renew them for a total period of not to exceed three years. In exceptional cases the corporation is authorized to purchase from domestic banks, bankers, or trust companies paper secured by agricultural products, including livestock; and it is further authorized to purchase, sell, or otherwise deal in acceptances, adequately secured, issued by Edge law banking corporations to assist them in promoting the exportation of agricultural and manufactured products. 'In connection with all loans, the law stipulates that the corporation shall require full and adequate security by indorsement, guaranty, pledge, or otherwise,' and that the aggregate of advances made by the corporation remaining unpaid at any one time may not exceed \$1,000,000,000."—*Quotations from Congressional Directory.*

THE FEDERAL RESERVE SYSTEM

1913—By act approved December 23, 1912, the Federal Reserve Board was created consisting of seven members, five appointed by the President, in addition to the Secretary of

the Treasury and the Comptroller of the Currency who are ex-officio members.

"Generally speaking, the functions of the board are to exercise a board supervision over the affairs and conduct of 12 Federal reserve banks established in accordance with the terms of the Federal reserve act in different parts of the country and invested with authority to discount paper for member banks, issue Federal reserve notes to member banks, and perform the various banking functions described in the act itself. Its support is derived from the several reserve banks from assessments levied by its half yearly pro rata. The board is responsible to Congress and reports annually to that body."—*Congressional Directory.*

SPECIAL PROVISIONS RELATING TO AGRICULTURE

Section 13 of the Act, as amended to date, provides that "Upon the endorsement of any of its member banks, * * * any Federal reserve bank may discount notes, drafts, and bills of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used, or are to be used, for such purposes, the Federal Reserve Board to have the right to determine or define the character of the paper thus eligible for discount, within the meaning of this Act. Nothing in this Act contained shall be construed to prohibit such notes, drafts, and bills of exchange, secured by staple agricultural products, or other goods, wares, or merchandise from being eligible for such discount * * *. Notes, drafts, and bills admitted to discount under the terms of this paragraph must have a maturity at the time of discount not more than ninety days, exclusive of days of grace: *Provided*, that notes, drafts, and bills drawn or issued for agricultural purposes or based on livestock and having a maturity not exceeding six months, exclusive of days of grace, may be discounted in an amount to be limited to a percentage of the assets of the Federal reserve bank, to be ascertained and fixed by the Federal Reserve Board."

Section 24, permits "any national banking association not situated in a central reserve city" to make loans on farm lands (under certain restrictions) for amounts not to exceed fifty per cent of their value and for periods not longer than five years.

A later amendment gives the Board power to add to the list of cities whose national banks can not lend on farm real estate.

1922—By act approved June 3, 1922 the appointive membership of the Federal reserve board was increased from five to six and provision made for a "dirt" farmer on the board. The act now provides that "In selecting the six appointive members of the Federal Reserve Board, not more than one of whom shall be selected from any one Federal reserve district, the President shall have due regard to a fair representation of the financial, agricultural, industrial and commercial interests, and geographical divisions of the country."

THE FEDERAL WAREHOUSE ACT

By act approved August 11, 1916 a Federal licensing system was provided for warehouses used for storing cotton, wool, tobacco and grain. The chief object is to provide a uniform warehouse receipt more readily acceptable by banks as security for cash advances against stored crops. In order to be permitted to use this standard warehouse receipt a warehouseman must meet certain requirements as to methods of operation and must give surety bond.

Rural Credits Glossary

An explanation of Terms used in Discussions of Rural Credits Legislation

Prepared by Judge Charles E. Lobdell
Commissioner and Executive Officer, Federal Farm Loan Board

LONG-TERM CREDITS

THIS term as used in a discussion of rural credits applies to those financial needs of a farmer in setting up his establishment in excess of his cash capital, and is more often and properly described as base or capital credit. This credit is needed on terms which will permit its liquidation from the profits of the farm over a period of years, and is ordinarily procured by a farm mortgage. Such mortgages in the Federal Farm Loan System are all payable on the amortization plan; that is, a small periodical payment added to the interest account, which liquidates the mortgage at the end of a given term of years.

SHORT-TERM CREDITS

Short-term credits are those credit needs in commerce and agriculture, the liquidation of which is anticipated by the turn-over of the business, or in agriculture, by the sale of the livestock or agricultural product on which it is ordinarily based. This class of paper is regarded as self-liquidating and is always listed as "Liquid assets" by the institution holding the same.

INTERMEDIATE CREDITS

The term intermediate credits contemplates an agricultural need which requires a longer term of liquidation than the so-called short-term credit, but the liquidation of which is contemplated from a particular commodity and not from the general profits of the farm operations. Such credit is needed for the orderly marketing of crops, in which event it would be based upon crops already produced and for the growing of breeding and dairy herds of cattle not intended for immediate market, in which event it would be based upon chattel mortgage upon the cattle involved.

DEBENTURE (OR COLLATERAL TRUST NOTES)

These terms describe bonds or notes issued by a corporation against collateral which has been deposited with an agreed trustee, a conspicuous type of which is the Federal Farm Loan Bond. In process of operation, the Federal Land Bank makes a large number of loans on farms, deposits these mortgage notes with the Registrar of the Federal Land Bank district, a Government officer, and issues the debenture or bond against such notes, the same being held by the Registrar in trust for the holders of the bonds or notes issued by the Bank.

CHATTEL MORTGAGE

This term is, as its name implies, a mortgage on goods or chattels (personal property), as distinguished from the mortgage on real estate. The laws of most of our states make special provision for its recordation, and for the rights of maker and payee under it. It is used chiefly in transactions dealing with livestock.

RENEWABLE PAPER

This term is not capable of easy definition, and in a legal sense there is properly no such paper. The term has grown into a somewhat general use by the questionable practice in many country banks of accepting notes based mainly upon chattel mortgage upon livestock, with the agreement that the paper will be periodically renewed from time to time, until the livestock is matured and ready for market. These agreements are ordinarily contingent upon the condition of the livestock at each maturity, and the ability of the owner to properly care for the same, and of course always upon financial conditions at the time of maturity. One of the main pur-

poses of all pending legislation is to give to borrowers on livestock more definite assurance of renewal.

FEDERAL LAND BANKS

These are the major units in the Federal Farm Loan System. The continental United States is divided into twelve Federal Land Bank Districts, with a bank in each district. They are located as follows:

1. The Federal Land Bank of Springfield, Springfield, Mass.
2. The Federal Land Bank of Baltimore, Baltimore, Md.
3. The Federal Land Bank of Columbia, Columbia, S. C.
4. The Federal Land Bank of Louisville, Louisville, Ky.
5. The Federal Land Bank of New Orleans, New Orleans, La.
6. The Federal Land Bank of St. Louis, St. Louis, Mo.
7. The Federal Land Bank of St. Paul, St. Paul, Minn.
8. The Federal Land Bank of Omaha, Omaha, Neb.
9. The Federal Land Bank of Wichita, Wichita, Kansas.
10. The Federal Land Bank of Houston, Houston, Texas.
11. The Federal Land Bank of Berkeley, Berkeley, Calif.
12. The Federal Land Bank of Spokane, Spokane, Wash.

These banks were chartered pursuant to the Federal Farm Loan Act, by the Farm Loan Board in February, 1917, with an aggregate capital of \$9,000,000, of which \$8,892,130 was subscribed by the Federal Government. They have now increased their capitalization, by normal operation, to \$36,997,950, and in like manner have retired \$5,806,060 of the Government capital. The business of these banks is to make farm mortgage loans, funds for which are procured by the sale of debenture bonds, denominated Federal Farm Loan Bonds.

There have been issued to date \$642,708,375. The stock in the Federal Land Bank is provided by the borrowing farmer, who is required to invest 5% of his loan in the stock of the National Farm Loan Association, which in turn invests a like amount in the stock of the Federal Land Bank. These banks are purely mutual, and all earnings in excess of operating expenses, and the creation of proper reserve, go back ultimately to the borrowing farmers, or rather to the Farm Loan Associations, in the form of dividends. The Federal Land Banks have to date distributed dividends in the aggregate sum of \$4,574,292.96.

JOINT STOCK LAND BANKS

These are money loaning corporations, chartered by the Federal Farm Loan Board, under the Federal Farm Loan Act. They are distinguished from the Federal Land Bank mainly in that they are not mutual, but the stock is subscribed by investors, and borrowers take no stock in the institutions, and have no interest in them. Like the Federal Land Bank, the Joint Stock Land Bank secures its loanable funds by the sale of its debentures, which are denominated Joint Stock Land Bank Bonds.

FARM LOAN ASSOCIATION

The "National Farm Loan Association" is the initial unit in the Federal Farm Loan System. It is made up of the borrowing farmers of a neighborhood, and receives its charter from the Federal Farm Loan Board. To organize such an association, there must be a minimum of ten borrowers whose loans in the aggregate must be at least \$20,000. The primary function of the Farm Loan Association is to receive the application from the borrower, approve the same by its Loan Committee, and guarantee the loan, when made, by the Federal Land Bank. There are now 4,495 such associations in operation.

(Continued on page 122)

Present Rural Credit Facilities and Needs

As Set Forth in the Report of the Joint Congressional Committee of Agricultural Inquiry,
Approved October 14, 1921

THE present banking system consists of the Federal Reserve System, including about 8,210 national banks; the State banking systems, which include about 20,000 State banks, of which 1,630 are members of the Federal Reserve System; the Farm Loan System, with its farm loan bank in each state; the joint stock land banks, of which there are 22; the farm loan associations, which are part of the Federal Farm Loan System, and private farm mortgage and cattle loan companies.

The National and State banking systems are the principal agencies furnishing short-time credit to the farmer. These State and National banks, together with the Federal Farm Loan System and the private farm mortgage companies, also furnish the great bulk of the long-time credit to farmers. Short-time credits, however, are largely limited to credits for periods of six months or less, owing to the fact that paper of longer maturity than six months for agricultural purposes is not eligible for rediscount with the Federal reserve banks. Longer time credit can only be secured on the basis of farm mortgages, and, even if it were possible to do so, it would not be wise to make farm mortgages the basis of credit for production or marketing purposes.

It is evident that there is a gap between the short and long time credit furnished by these banking agencies which should be filled in some way.

The commission believes that the credit problem of the farmer can best be met by adapting existing banking agencies to his credit requirements. In meeting these requirements there is no reason why, without destroying their utility for the purposes for which they were originally created, all of the banking agencies of the country can not be used by adapting them to the farmers' requirements. These requirements are for credit of sufficient maturity to make payment possible out of the proceeds of the farm. This means a credit running from six months to three years, depending upon the character of the commodities to be produced and marketed. In the case of crops six months may be in some instances sufficient, but in the case of livestock three years may be required.—*Extracts.*

The Commission's proposals to meet these additional needs were embodied in a bill which is substantially the Lenroot-Anderson Bill, first introduced in January, 1922, and re-introduced December 6, 1922.

Rural Credit Legislation in the Senate

The House bills have not yet been reported from Committee and are, therefore, not discussed in this number.

ON April 20, 1922, Senator Capper (R., Kans.) and Senator Norbeck (R., S. Dak.) and Senator Simmons (D., N. Car.), each introduced a bill designed to solve the rural credit problem. S. 3639 and S. 3499 and S. 3278. The bills were referred to the Committee on Banking and Currency where they lay until the beginning of the final session of the 67th Congress, when President Harding's annual message reached Congress pledging the Administration's support to agricultural relief legislation. On December 9, Sen. Norbeck introduced a second bill, S. 4130, which was followed by two more, S. 4220 and S. 4229 on Dec. 16 and Dec. 22.

In the meantime, on Dec. 6, Sen. Lenroot (R., Wis.) had offered his bill S. 4103, which was introduced simultaneously in the House by Rep. Anderson (R., Minn.) and which has since become known as the "Lenroot-Anderson Bill." Public

hearings on all of the Senate bills were held before the Senate Committee on Banking and Currency from Dec. 12 to Dec. 30 and as a result of the Committee's deliberations two bills were reported to the Senate for action; first the Capper bill, which was re-introduced with amendments as S. 4280 on Jan. 3 and reported favorably Jan. 8, and second the Lenroot bill, also re-introduced with amendments, as S. 4287 on Jan. 6 and reported by the Committee Jan. 9. A minority report presented by Sen. Norbeck (R., S. Dak.) accompanied the Lenroot measure. On January 19, the Senate passed the Capper bill without recorded opposition. The bill now goes to the House for action.

The following digests of the Capper bill, S. 4280, as it passed the Senate on Jan. 19, and the Lenroot bill, S. 4287, as it was reported to the Senate Jan. 9, are taken from the Committee's Reports No. 998 and No. 1003.

The Capper Bill

Introduced by Senator Capper, January 3, 1923, and referred to the Committee on Banking and Currency.

Reported favorably to the Senate on January 8; passed by the Senate, January 19, 1923.

Referred to House Committee on Banking and Currency.

S. 4280—"A bill to provide for the incorporation and supervision, etc., of corporations formed for the purpose of making agricultural and livestock loans; to amend the Federal Reserve Act; to amend the Federal Farm Loan Act; to extend and stabilize the markets for United States bonds and other securities; to provide fiscal agents for the United States, and for other purposes."

SUMMARY OF PROVISIONS

This bill provides for the formation under Federal charter of corporations for the purpose of providing credit facilities for the agricultural and livestock industries of the United States. The terms upon which the corporation may make advances or purchase discount agricultural paper are defined. Two general types of agricultural paper are involved. Paper secured by warehouse receipts or like documents covering

readily marketable and non-perishable agricultural products, or by chattel mortgages upon livestock which are being fattened for market may be discounted or purchased with a maturity not exceeding nine months. Paper secured by chattel mortgage upon maturing and breeding livestock and dairy herds may be discounted or purchased with a maturity not exceeding three years.

The bill limits to ten times its capital and surplus the indebtedness which may be incurred by any corporation organized under the act, and limits to 20 per cent of the capital and surplus the amount which may be advanced to any one borrower, unless the advance is secured by warehouse receipts, in which event the amount of any one advance is limited to 50 per cent of the capital and surplus.

A minimum capitalization of \$250,000 in any corporation organized under the act, is required. The bill also provides for the formation in addition to the corporations heretofore mentioned, of rediscount corporations having a capital stock of \$1,000,000 or more. These corporations have authority to rediscount paper for the corporations organized under the act. The bill contains provisions designed to insure that corporations organized under the act will keep a substantial portion of their capital as a liquid reserve. These corporations are supervised by the Comptroller of the Currency in the same manner that national banks are now supervised. National banks upon approval by the Comptroller of the Currency, are authorized to purchase stock in Federal agri-

cultural credit corporations in an amount not exceeding 10 per cent of the capital and surplus of the bank.

The bill further provides for the conversion of existing State financing corporations into Federal corporations under the Federal agricultural credits act.

The Federal Reserve Act is amended in order to render eligible for rediscount certain types of agricultural paper not now eligible. In addition it is provided that bankers' acceptances if drawn for an agricultural purpose and secured by warehouse receipts covering readily marketable staples, may be discounted with a maturity at the time of discount of not more than six months. The present limit is 90 days. The Act is further amended to make it possible for smaller State banks to enter the Federal reserve system.

The bill extends the time during which the War Finance Corporation may make advances for agricultural and export purposes up to the beginning of March, 1924.

The bill amends the Federal Farm Loan Act by increasing from \$10,000 to \$25,000 the amount of loans which a Federal Land Bank may make to any one borrower.

The Lenroot-Anderson Bill

*Introduced by Senator Lenroot, January 6, 1923, and referred to the Committee on Banking and Currency.
Reported favorably to the Senate on January 9, 1923.*

S. 4287—"A bill to provide credit facilities for the agricultural and livestock industries of the United States, to amend the Federal Farm Loan Act, to amend the Federal Reserve Act, and for other purposes."

SUMMARY OF PROVISIONS

This bill amends the Federal Farm Loan Act by providing that each Federal land bank establish and operate a separate department, to be designated as the "Farm Credits Department" for which \$5,000,000 in capital shall be subscribed by the Secretary of the Treasury on behalf of the United States.

Each Federal land bank shall have in addition to its present authority, power to discount for or purchase from any national or State Bank, trust company, rural-credit corporation, incorporated livestock loan or farm-credit company, savings institution, cooperative bank, or cooperative credit or marketing association of agricultural producers, organized under the laws of any State, or any other Federal land bank with its indorsement, any note or other similar obligation the proceeds of which have been advanced or used for certain stipulated purposes. Loans may also be made subject to certain restrictions imposed by the Federal Farm Loan Board, direct to cooperative associations, if the notes or other obligations are secured by warehouse receipts or chattel security.

Provision is then made for limiting the amounts of rediscounts by any bank or other corporation named in the section.

The Federal land banks are empowered, subject to the approval of the Federal Farm Loan Board, to issue and sell its collateral trust debentures with a maturity of not more than five years. The rate of discount may not exceed by more than one per cent the rate borne by the last preceding issue of debentures. No paper shall be discounted that carries a rate of interest in excess of 1½ per cent of the discount rate. Provision is made for the equitable apportionment of the joint expenses incurred between the farm-mortgage department and the farm-credits department. After all expenses of the farm-credits department have been met out of earnings, the capital stock held by the government shall be entitled to a dividend of 4 per cent per annum. The remaining earnings, if any, shall be paid into a surplus fund until such shall equal \$2,000,000, and thereafter 25 per cent of the annual net earnings shall be paid to the government in retirement of the stock

owned by it, until the stock of the farm-credits department shall be reduced to \$1,000,000.

The bill provides for the furnishing of reports by the Comptroller of the Currency, an examination of State banks, etc., for the confidential use of the Federal land banks.

The Federal Farm Loan Board is authorized to make rules and regulations necessary for the execution of the provisions of the act.

The same privileges of tax exemption are granted to farm-loan debentures as exist with regard to farm-loan bonds, and also the same exemptions are granted to the farm credits department of each Federal land bank as the Federal land banks now enjoy.

The Federal Reserve Act is amended as follows: First, by permitting, under certain circumstances, a maximum dividend of 9 per cent instead of 6 per cent, as is now provided. The purpose of this section is to furnish an additional incentive to State banks to become members of the Federal reserve system. Second, by making banks with a lesser capital than is now permitted by law to become members of the system; and further, an amendment is proposed by the Federal Reserve Board which carries the rediscount privilege to bills of exchange payable at sight or on demand which are drawn to finance the domestic shipment of non-perishable, readily marketable staple agricultural products secured by bills of lading or other shipping documents conveying title to such staples. No such bill shall in any event be held for the account of any Federal Reserve Bank for a period in excess of 9 days. The rediscount privilege is extended to acceptance drawn for an agricultural purpose with a maturity at the time of discount if not more than six months, said acceptances to be secured by warehouse receipts covering readily marketable staples. The eligibility of agricultural paper for discount in the Federal reserve banks is extended from six to nine months, with a limitation that the Federal Reserve Board may fix the amount of such discount to be limited to a percentage of the assets of the Federal reserve bank.

Senators Discuss Capper Bill

Pro

Senator Arthur Capper, Kansas
Chairman, Senate Farm Bloc

THE bill, as is generally known, was drafted as the result of a series of conferences between Managing Director Eugene Meyer and counsel of the War Finance Corporation and representatives of the various agricultural interests. The provisions embodying amendments to the Federal Reserve Act have the approval of the acting governor of the Federal Reserve Board.

There has been no suggestion from any responsible source that any of these provisions are unsound in principle from the point of view of conservative banking and finance or that they in any way imperil the stability and soundness of the banking and financial structure of the country.

The bill may be said, moreover, to crystalize the experience which the War Finance Corporation has gained in the practical administration of the agricultural credits law of 1921.

Another feature of the bill which merits the approval of the Senate is that it will involve the United States Government in no expense. It relies entirely upon private capital and upon private initiative and management. All that the Government will contribute will be a sound plan of organization and efficient and thorough supervision.

The bill is composed of four titles, and the only title which creates any new machinery is Title I. This title provides for the Federal incorporation of agricultural credit corporations, with power to purchase or discount agricultural paper, secured either by agricultural commodities in warehouse or by livestock.

The bill provides for these corporations the same efficient banking supervision that is provided for national banks under existing law.

The bill raises from \$10,000 to \$25,000 the amount which a Federal land bank may lend to one borrower. This change has been urged by the representatives of many agricultural organizations, and has the approval of the Federal Farm Loan Board, as well as the Secretary of the Treasury. At one time there was some doubt whether such a change would not be harmful. A year ago the amount of money available by the sale of farm loan bonds was limited, and the Federal land banks had enough applications for loans in small amounts to absorb completely any funds that could be obtained. Larger loans could therefore have been made only at the expense of the small farmer. At the present time, however, the situation has changed. There is now an established market for Federal farm loan bonds; investment funds are available in large quantities and at reasonable rates, and it is the testimony of those who are charged with the administration of the act that enough money can be obtained to take care of all legitimate needs. It is felt, therefore, that the increase in the limit will be in no way harmful to the small farmer, and will be of great assistance in those sections in which farming must be conducted on a comparatively large scale.

The provisions contained in the bill now under consideration have met with virtually no opposition. Some people, it is true, think the bill does not go far enough and that additional machinery should be created with Government money and under Government operation. There is nothing in the present bill which will prevent Congress from establishing such additional machinery, either now or later, should it be concluded that such additional machinery is necessary. I think it is generally agreed that this bill is sound, and that it will be helpful.—*Extracts from Congressional Record.*

Con

Senator F. M. Simmons, North Carolina

I REGARD the Capper bill as of very little consequence so far as it is designed in any way to help agriculture, to help the so-called "dirt" farmer, the man who makes his living by the cultivation of the soil.

I am not going to speak of the provisions in the bill which propose to amend the Federal reserve act and the Farm loan act. I am addressing myself exclusively to the new system of agricultural credits which the Capper bill undertakes to create and put into operation.

The bill provides a system of primary credit corporations, corporations created for the purpose of lending money to farmers and stock raisers, corporations the capital of which is to be altogether furnished by individual subscriptions. These banks are each to have a paid-in capital of \$250,000 before they are permitted to commence business.

These banks—and they are in a sense banks, though called in the bill corporations—whether primary banks or rediscount banks, are to be owned and operated entirely by private capital.

My chief objection to the measure is the ineffective and misleading manner with which it deals with agriculture. First, so far as the farmer is concerned, the scheme is wholly impracticable and will not become operative in the agricultural states, and for two good and sufficient reasons. It will be exceedingly difficult, if not impossible, to raise the capital with which to start the business and establish the banks.

The system is defective not only from the standpoint of the inability of the farmer, who is immediately concerned, to furnish the money, but it is defective in that it does not offer a sufficient profit inducement to tempt outside capital that might otherwise invest. According to the very terms and conditions of the bill these banks located in agricultural districts, as distinguished from stock-growing districts, are so circumscribed as to the character of business they may do as to afford no adequate inducement to outside capital.

There is not a line in the bill authorizing the corporation to extend any relief to agriculture by direct loan except that provision, which provides that the loan must be for an agricultural purpose, the maturity must be not exceeding nine months, but that no loan for an agricultural purpose for nine months or any other length of time shall be made except it be secured by warehouse receipts upon non-perishable agricultural products that are readily marketable. So that the sole and exclusive function and business of the corporation in a purely agricultural section would be to lend to farmers for agricultural purposes only where the debt was secured by a warehouse receipt.

That is all the business the bank can do. It can not lend to a farmer for the purpose of helping him to produce a crop. It can not make a loan to the farmer upon his land. It can not lend to the farmer upon his horses, his mules, his tractor, his wagons, his carts, or his farming implements, however valuable they may be. It can not lend to him upon his growing crop, although it may be planted and may be in a thriving condition and may promise large returns. It can not make a loan to the farmer upon personal security of any kind, or upon solvent indorsement. His character, his ability, and his reputation for thrift count for nothing in the transaction. The bank, so far as agricultural advances are concerned, can do no business under these provisions except to loan or discount paper secured by mortgage or lien for non-perishable, readily marketable agricultural products.—*Extracts from Congressional Record.*

Financial Experts Discuss Capper Bill

Pro

Eugene Meyer, Jr.

Managing Director War Finance Corporation

THE bill introduced by Senator Capper is not intended to be especially a livestock measure, as has been frequently stated. It is true that a certain part of it concerns particularly the livestock industry. But the agricultural credit situation generally, and certainly the financing of the cooperative marketing associations, is dealt with.

Having in mind the desirability of strengthening the Federal reserve system by adding to its membership and of aiding the agricultural districts by bringing them into closer contact with the system, a provision has been incorporated in the bill under consideration temporarily reducing, under satisfactory guaranties, the present limitations on the capital required for membership from \$25,000 to \$15,000 in one case and from \$30,000 to \$30,000 in the other.

The next important suggestion contained in the bill under consideration concerns the eligibility rules of the Federal reserve system. They relate especially to two points. First, the paper of cooperative marketing associations is defined as agricultural paper. It is not now classified as agricultural paper, and cannot be so classified under the law as it now stands except in a way that makes it inoperative from a practical standpoint. In other words, the paper of cooperative marketing associations, for all practical purposes, is considered as commercial paper and cannot be rediscounted for more than 90 days.

Of course, an association of farmers operating without profit for mutual benefit and marketing cooperatively is essentially an agricultural operation and not a commercial one.

This bill seeks to clear up the question and to define the paper of cooperative marketing associations in unmistakable terms.

The other changes have to do principally with the maturity of agricultural paper. In the past the students of economics and finance have, I think, given too little attention to the time element in the marketing of our great staple products; and the matter is of greater importance now than ever before.

I believe the soundest policy is to develop existing institutions to their maximum capacity for usefulness to the country. I feel that the Federal reserve system has not been developed to its full capacity for usefulness—its potential usefulness—in the agricultural districts of the country. I believe that nothing better could be done than to so develop it by increasing its membership in the country districts and by modifying its eligibility rules so that they will conform more to the turnover period for agricultural products than they do now. I believe more will be accomplished in that way than in any other way that has been suggested.

In this bill, both the credit corporations and the rediscount organizations are placed under the supervision of the Comptroller of the Currency, and it is proposed to permit national banks, with the approval of the Comptroller, to invest not exceeding, in the aggregate, 10 per cent of their capital stock and surplus in the stock of one or more of them. Of course, state banking institutions if permitted by state law, as well as individuals and other investors, will be free to subscribe to the stock also. I want to emphasize that both the agricultural credit corporations and the rediscount organizations will be privately owned and privately managed, as our national banks are at the present time, and that their operations, like those of the national banks, will be supervised by the Comptroller of the Currency.—*Extracts from Hearings before Senate Committee on Banking and Currency, Dec. 14, 1922.*

Con

Herbert Quick

Former Member, Federal Farm Loan Board

THE Capper bill and the Lenroot bill are both intended to satisfy a long-felt want in the agricultural world—a better system of agricultural credit. Our banking system has been built up for, by, and through commercial banks. It has never provided the kind of credit needed by the farmer.

The Capper bill seeks to give the farmer the longer credit which his operations, so much slower than those of the merchant or manufacturer, admittedly require, through loaning companies organized and operated by concerns which go into the business for private profit only. Ten years ago we should perhaps have been satisfied with it; but we ought to have been taught better by this time through our experience with the Federal Farm Loan System. In this system twelve great land banks, operated for public service, and not for private profit, have gone into every part of the United States, and on cheap lands and dear, on good lands and inferior, north, south, east and west, wherever men have been making their livings by farming, they have loaned money by the hundreds of millions on farm mortgage, and done it so sanely and soundly that their securities are recognized by the financial world as unexcelled in quality. And their policy has been to keep down the interest rate, and to loan money for the borrowers' sake, not the lenders.

No such purposes will be back of the operations under the Capper bill if it passes. It will be a financial system living on the farmers and not for them. It will select the business offered it, not for the sake of agriculture, but for the sake of profits. Profits and public service do not always dictate the same policy.

Another objection to the Capper bill is that while it provides for new concerns to be organized to extend personal credit to farmers, it does not establish them. It assures us of nothing which we have not now. And if it works, and the new concerns are set up by private enterprise, they will do nothing important which cannot be done now by cattle-loan companies and trust companies and banks. And I feel sure that there will be many votes cast in House and Senate by men who are for it because of this. They want nothing new done. They want to be able to point to the bill as something done for the farmer, but it will be simply another elaborate gesture accomplishing nothing.

The Lenroot bill, on the other hand, will work. It will equip in each of the Federal Land Banks a personal credit department with \$5,000,000 capital and \$10,000,000 if needed. It will give these great going concerns, already intimately acquainted with the farmers' need in every county in the United States, and full of the spirit of service, a financial strength as great as that of the War Finance Corporation.

I think the Capper bill should be defeated. For it is urged quite as much to kill the Lenroot bill as for its own sake. Take away from it the support of those who do not think it will work, and those who want to use it as a stalking horse from behind which they can kill the Lenroot bill, and it could not pass. Pass it now, and when some meritorious measure like the Lenroot bill is urged, these people, blind to the needs of agriculture, will throw up their hands and cry, "What, you want another personal credit bill! Didn't we give you the Capper bill? What do you want anyhow?"

Legislators who want real personal credit for the farmers should oppose the Capper bill and support the Lenroot bill, thus standing with Secretaries Hoover and Wallace as against Secretary Mellon.

Senators Discuss Lenroot Bill

Pro

Senator Irvine L. Lenroot, Wisconsin

SENATOR CAPPER'S bill, I venture to suggest, would be utterly inadequate to cover the personal-credit needs of the agricultural interests of the United States, because in my State, for instance, it would not be possible for any group of farmers to avail themselves of the provisions of the Capper bill so as to receive the credits that they must receive if they are to prosper.

The farmer is entitled to the same credit facilities that the business man now has. The farmer has the same character, the same responsibility, as a business man, and credit facilities should be just as available to him as they are available to the business man. I think everyone will agree that that is not true today. It is not true under the present system; it can not be done under the Federal reserve system because the credit that the farmer gets can not be served by a six months' credit.

In the bill we have introduced we set up in our farm loan banking system a separate personal-credit system with segregated assets and liabilities, the present system not to be responsible or liable in any way for the liabilities of the personal-credit system. They are under the same management, the same board of directors; they are under the supervision of the Farm Loan Board. The bill provides that the present Federal farm loan law shall be applicable to the personal-credit system so far as it properly can be made applicable, and we have tried to do that as far as possible. We provide a separate capital for each farm loan land bank of \$5,000,000, furnished by the Government and subscribed by the Treasury, making a total capitalization of \$60,000,000 for the purpose of making the foundation for this rural personal-credit system.

It is then provided that the farm loan land bank can issue its debentures or collateral trust obligations to the extent of ten times its capital, making a possible maximum personal credit available to agricultural interests of the country of \$660,000,000, \$60,000,000 being the original capital, and ten times that which it may obtain through the sale of its debentures. It is provided that when these debentures are sold the money received for them, the cash received for them, shall go into a separate fund as a security for those debentures until that money is expended or utilized in the purchase of obligations, or making of loans, in which case the paper that is taken shall take the place of the cash so that there will at all times be with the farm loan bank either cash or securities as security for the debentures.

There is this distinction between this bill and Senator Capper's bill and those applying to the same subject of livestock, that no direct loans are contemplated at all under this bill to individuals.

The reasons why we recommend the establishment, as a department of the existing agency are first, that the system could be put into almost immediate operation by utilizing the existing agency; second, an independent agency would be more expensive, there would be a large overhead, and the farmer would have to pay, in his interest rate, whatever that additional overhead might be. It will be urged, no doubt that the \$60,000,000 capital provided is not sufficient. Of course, I personally should be glad if the Treasury were in a condition whereby we could make the capital larger. But \$60,000,000 is a substantial sum.—*Extracts from Hearings before the U. S. Senate Committee on Banking and Currency, December 12, 1922.*

Con

Senator Peter Norbeck, South Dakota

THE greatest needs of the farmer today are better prices for his products and lower freight rates. Of third importance only is credits. But, if new legislation is to be enacted, it is very important that it be along sane and practical lines and of sufficient scope to accomplish the avowed purpose of providing a credit system actually adapted to his needs and requirements.

The inadequacy of Senate bill 4287 is apparent. It provides for setting aside \$60,000,000 from the Treasury (which money is not to be used for loans, but only for paying losses, if any). In other words, it is proposed that a guaranty fund of \$60,000,000 shall be provided. This is only about one-eighth of the capital of the War Finance Corporation, and even this fund shall not be available for loans. Further, it is provided that this fund shall be divided equally between the 12 Federal farm land bank districts, so that each will get \$5,000,000. (The provision to provide possible increase of the capital, all things considered, is of doubtful importance.) No regard is given to the well-known fact (that has again been demonstrated by the War Finance Corporation) that shortage of credit is more acute in certain districts than others, where there is an abundance of local and banking capital, so that only on rare occasions is assistance needed.

It is proposed that a personal intermediate credit department for agriculture be established in connection with each of the Federal land banks, and that they shall serve agriculture to the extent of their ability to borrow by the sale of debentures. But the witnesses before the Senate committee cast grave doubts on this scheme being workable.

There is also difference of opinion as to how well this intermediate or personal credit plan would fit in with the real estate loan business of the Federal farm land banks of the country, that were organized for real estate purposes only. The employees of the Federal Farm Loan Board are not skilled or trained along this line.

There is danger that the sale of debentures for this purpose by the Farm Loan Board may lead to confusion and misunderstanding and adversely affect the market for the sale of bonds for regular farm-loan purposes.

The plan can not be effective unless it is placed in experienced hands; therefore, a separate agency should be provided.

In view of the uncertainty of expert witnesses, who appeared before the committee, as to the workability of this bill; the lack of capital provided to meet the need of the agriculturalist; the cumbersome method proposed in moving funds from one Federal land bank district to another; the uncertainty of successful administration when handled as a side line by Federal farm loan banks, which are inexperienced in this line of work and without facilities for handling same; the failure to place the administration of this proposed legislation in the hands of the War Finance Corporation, which has already demonstrated its ability to successfully function under the provisions of existing law, or in the hands of some separate agency; the danger that the offering for sale of farm loan debentures (by 12 different district banks) will adversely affect the market for Federal Farm Loan bonds; and the unscientific character of the bill in general it is my opinion that this proposed legislation is too experimental in its nature to be of practical benefit as intended, and same is not sufficient in scope to adequately meet the present situation.—*Extracts from Minority report (No. 1003, Pt. 2) presented by Senator Norbeck, from the Senate Committee on Banking and Currency.*

Cabinet Members Discuss Lenroot Bill

Pro

Hon. Henry C. Wallace
Secretary of Agriculture

YOU might say that the farmer needs three lines of credit. First, he needs mortgage credits. That you have supplied through the farm-loan system, as far as you can, except you have limited the amount which may be loaned to any one individual in such a way that the farmers in a large part of the country are not able to avail themselves of the system as they ought. That is, the farmers in the most productive sections where the land is most valuable do not find the system adequate to their needs, and the maximum which can be loaned to any one individual should be increased. \$25,000 has been the sum usually suggested. I would not be disposed to limit, but if you need to limit, perhaps that is the amount to which it might be limited.

Another sort of credit we need is what you might call productive credit, short-time credit, and under normal conditions, especially in the great surplus-producing country that has been fairly well available, but whenever you get a pinch such as we have had, it shrinks, and here is what happens. In prosperous times bankers tend to encourage the borrower, men of good repute financially. Then when the pinch comes, they begin to restrict their loans. It has two effects. It forces crops on the market and depresses prices, which intensifies the trouble.

Then you have a third line of credit which we call intermediate credit and for which there is the greatest need, and which I think the general plan as outlined in the Lenroot-Anderson bill is calculated to meet about as effectively as any way I can think of.

The need for intermediate farm credit has been evidenced for 30 or 40 years. We have talked about it for 30 or 40 years. It has come up every time we have had an agricultural depression.

We made an extended investigation some 20 years ago, and the condition then was the same as it is today. There is sufficient credit for normal times, but not in times of emergency. When we come into another depression this need will come right up again, just as it has now.

* * *

Senator McLEAN. It would be your idea if we should undertake it, we should set up in the Federal farm loan system a separate board?

Secretary WALLACE. I think you should add one or two members.

Senator McLEAN. Would not you have a separate board of directors entirely different in personnel from the board that handles land mortgages?

Secretary WALLACE. No; I should not make a separate board, but I should add one or two members on that board, and I should provide in the law that they should be elected with reference to their special qualifications for this particular sort of business; but let them be a part of the loan board.

Senator FLETCHER. Do you favor linking this new plan up with the Farm loan system rather than the Federal reserve system?

Secretary WALLACE. I would place it with the Farm loan system. I quite agree with Secretary Hoover's position in that regard. I think the Federal reserve system should be kept a liquid system, and that nothing should be done to interfere with that principle on which it was created.—*Extracts from Hearings before the U. S. Senate Committee on Banking and Currency, December 30, 1922.*

Con

Hon. Andrew W. Mellon
Secretary of the Treasury

THE objectionable features of the Anderson-Lenroot bill as it now stands may be summarized under three heads. In the first place, it would place the Government to a large extent in the commercial banking business, for it contemplates what amounts to a system of Government banks, capitalized with public funds and supervised by Government officials. As at present organized the Federal land banks are conducting solely a farm mortgage business. To enable these land banks to undertake the business of rediscounting agricultural paper for country banks, loan companies, and credit associations, new officers and new personnel would have to be supplied. Since the Government would contribute the capital, it would also have to supply the management. This involves serious difficulties. Government operation of necessity means centralization and standardization. It requires rigid rules and policies, ill adapted to a country as large and as varied in its economic structure as the United States. The Federal land banks now can operate upon uniform rules, in so far as their present farm mortgage business is concerned, for the farm mortgage business lends itself to standardization. The handling of current farm credits, however, requires promptness, flexibility, and adaptation to local needs, and these essentials Government banking could not, in my opinion, supply—certainly not without grave administrative difficulties.

The second objection is that the bill would make heavy drafts upon the Treasury for the capital of the farm-credits departments, and that would mean either more Government borrowing or higher taxes on all the people in order to supply the funds. Either would be unfortunate, for the Government's borrowings are already heavy enough, and existing taxes are too high for the good of agriculture, business, and industry. The Government's contribution, moreover, would be insufficient to handle more than a fraction of the agricultural rediscounts of the country, and the bill accordingly contemplates the sale of collateral trust bonds to secure any necessary additional funds. These securities would be entitled, under the terms of the bill, to full exemption from all Federal, State, and local taxation, and from this arises the third serious objection to the bill.

I am impressed with the wide diversity of opinion among the witnesses (at the hearings) upon the Anderson-Lenroot bill in its present form. The representative of the American National Livestock Association testified that the livestock industry did not want Government funds or tax-exemption privileges, and that the bill would not meet the needs of the industry. The representative of a large number of the co-operative marketing associations in the United States, while recommending enactment of part of the bill, merely to provide a reserve agency in case of need, stated that the associations which he represented believed that their main financial resource should and would be the Federal reserve system. The representative of the Farm Loan Board, while not opposing the bill stated in effect that the Farm Loan Board was not equipped to administer it, and suggested that it be transferred to the Federal Reserve Board. The representative of the Federal Reserve Board recommended that it be placed under the Farm Loan Board. The representative of one of the national farm organizations asked that neither of these boards have charge of its administration but that a new and independent board be created for the purpose.—*Extracts from Hearings before U. S. Senate Committee on Banking and Currency, December 30, 1922.*

Farmers' National Organizations Discuss Lenroot Bill

Pro

American Farm Bureau Federation
Gray Silver, Washington Representative

THE Lenroot-Anderson bill is the result of a great amount of thought by the Congressional Joint Agricultural Inquiry Commission, which spent months on the subject of agricultural credits. The American Farm Bureau Federation approves of the bill with the exception of the provision which would require the Federal Farm Loan Board to administer the act. The Federation favors the erection of a separate board, and a system so constituted that it will function freely in supplying the farmers' needs.

With the American farmer producing from twelve to fifteen billion dollars worth of products annually in normal times—constituting the basis of about 70 per cent of our commerce and industry—credit for agriculture is not something to be treated as a side issue. It is of such major importance, not only to the farmer but to the whole American people, as to justify a definite and separate organization commensurate with the magnitude of the undertaking that will not only function but one where the responsibility of the administering board can be readily fixed and strict accountability required.

True, the farmer wants to use and will use the banks of deposit and the Federal Reserve System just so long as that system supplies his needs. When for any reason, whether within his control or not, they fail to properly finance the farmer he must have and will insist upon having an alternative system such as is provided for in this bill to which he may turn to supply his needs. A limit of deposits or unusually large production in any given community is no good and sufficient reason for the failure to finance the farmer. Through the instrumentalities of this bill the farmer would be enabled to have access to the national reservoirs of moneys and credits as well as the Federal Reserve System, the government's agency for creating money in times of stress, and in that way prevent the unhappy financial conditions which have existed in all too many rural communities.

The Capper bill, it is true, will liberalize the Federal Reserve, which is helpful, but in the farmer's minds the Capper bill does not provide intermediate credit nor does it in any sense give an alternative system for use in difficult times.

The provisions of the Lenroot-Anderson bill as it now stands call for the administration of the act by the Federal Farm Loan Board. It creates in the twelve Federal Farm Land banks, Farm Credits Departments with a capitalization of \$5,000,000 each. However, should this capitalization be insufficient, upon the approval of the Federal Farm Loan Board and the President of the United States, this capital may be increased. These Farm Credits Departments would function as discounting agencies for the agricultural paper running from six months to three years which would be submitted to them by national banks, state banks, trust company or rural credits corporation, incorporated livestock of farm credit company, savings institutions, cooperative banks and cooperative credit or marketing associations of agricultural producers. It would also discount paper for any other Federal Farm Land bank with its endorsement, provided it was issued for agricultural purposes or for the raising, breeding, fattening or marketing of livestock. It would make loans direct to cooperative associations composed of persons engaged in producing or producing and marketing staple agricultural products, or livestock if the notes or other such obligations representing such loans are secured by warehouse receipts or mortgages on livestock.

Con

Farmers' National Council
Benjamin C. Marsh, Managing Director

THE Department of Agriculture estimates that the total indebtedness on farm property is about \$12,000,000,000 or one-sixth of the total value of farm property. This is divided as follows: mortgages \$7,000,000,000; bank loans to farmers \$3,750,000,000; private personal loans \$1,250,000,000.

Farmers need, not more destructive credit to plunge them further into debt, but Government action to assure them a fair price for their products, to cover cost of production and afford a reasonable profit. They also need a system of productive credit, independent of the Federal Reserve System, and the Federal Land Bank.

The Capper and Lenroot Rural Credit bills do not meet the farmers' needs.

The Capper bill permits any corporation organized thereunder to charge on any loan or discount made—"interest at the rate allowed by the laws of the state, in which such obligation by its terms is made payable." The laws of ten states allow by contract an interest rate up to 12 per cent; of 23 states, up to 10 per cent; and of 33 states up to 8 per cent. It is obvious that the Capper bill will permit the Government to profiteer in interest charges upon farmers, while farmers should be able to get their credit for production purposes, and otherwise, at a low rate of interest.

The Lenroot bill (S. 4103) seeks to combine the farmers' marketing credit system with the long term or mortgage system, a procedure which the United States Commission on Farmers' Credits opposed, stating that the farmers long term and short term credit system should be segregated. The Lenroot bill would delegate to the Federal Farm Loan Bank charged with the administration of the Federal Farm Loan activities, activities and duties it cannot safely undertake.

The total outstanding long term mortgage indebtedness against farm values is now about \$7,000,000,000, while the total value of farm property in 1920, including real estate, machinery, equipment and livestock was about \$77,000,000,000; and even with the slump in the selling price of farm lands is probably at least \$72,000,000,000, today. The Federal Farm Loan Bank has loaned not to exceed about \$600,000,000. The activities and the funds available to that Board should all be devoted to making a success of long term mortgages, based on real estate, particularly for small farmers, and not to any effort to extend its activities until it has fulfilled the purpose for which it was created.

An effort is now being made to increase the maximum amount which can be loaned to one borrower under the Federal Farm Loan Act from \$10,000 to \$25,000. This will involve a very much more careful examination than has been given to loans to date. It will also involve a much larger sale of bonds than heretofore.

The investing public is extremely careful about its investments of funds, and should the Federal Land Bank System be extended, as provided in the Lenroot bill, to handle marketing credit, as well as mortgage and production credit as at present, many investors will undoubtedly be alarmed and the present well defined field of usefulness of the Federal Farm Loan Bank will be seriously in danger. The machinery set up by the Lenroot bill is also cumbersome and the provision that an equal amount of funds shall be provided by the government in each of the Land Bank districts fails to take account of the varying demands for marketing credit in different sections of the country.

Present Status of the Farm Bloc Program in Congress

S. 799—BY SEN. CAPPER (R. KANS.)

Title: A bill to prevent deceit and unfair prices that result from the unrevealed presence of substitutes for virgin wool in woven fabrics purporting to contain wool and in garments or articles of apparel made therefrom, etc. (Known as the "Truth in Fabrics Bill.")

Action: Referred to Committee on Interstate Commerce. Hearings held. No further action. In hands of Subcommittee composed of Senators Watson (Ind.), Fernald (Me.) and Smith (S. Car.).

H. R. 64—BY REP. HOCH (R. KANS.)

Title: Same as S. 799.

Action: Referred to Committee on Interstate and Foreign Commerce. Hearings held. No further action.

S. 4287—BY SEN. LENROOT (R. WIS.)

Title: A bill to provide credit facilities for the agricultural and livestock industries of the United States; to amend the Federal Farm Loan Act; to amend the Federal Reserve Act; and for other purposes.

Action: Reported from Committee on Banking and Currency Jan. 11, 1923.

H. R. 13196—BY REP. ANDERSON (R. MINN.)

Title: Same as S. 4287.

Action: Referred to Committee on Banking and Currency.

S. 4280—BY SEN. CAPPER (R. KANS.)

Title: A bill to provide credit facilities for the agricultural and livestock industries of the United States; to amend the Federal Farm Loan Act; to extend and stabilize the market for United States bonds and other securities; to provide fiscal agents for the United States; and for other purposes.

Action: Reported from Committee on Banking and Currency Jan. 8, 1923. Passed Senate Jan. 19, 1923. Before House Committee on Banking and Currency.

H. R. 11763—BY REP. McFADDEN (R. PENN.)

Title: Same as S. 4280.

Action: Referred to Committee on Banking and Currency.

S. 4050—BY SEN. NORRIS (R. NEBR.)

Title: A bill to provide for the purchase and sale of farm products.

Action: Reported from Committee on Agriculture and Forestry Dec. 15, 1922.

S. 3880—BY SEN. CAPPER (KANS.)

Title: A bill to authorize the registration of certain seeds for other purposes.

Action: Referred to Committee on Agriculture and Forestry.

S. RES. 379—BY SEN. CAPPER

Title: Resolution directing the Interstate Commerce Commission to supply information as to reports of railroad companies with respect to rates, excess profits, value of railroad property, and so forth. Submitted Dec. 8, 1922.

Action: Ordered to lie on table.

H. R. 7102—BY REP. VESTAL (R. IND.)

Title: A bill to fix standards for hampers, round stave baskets, and splint baskets for fruit and vegetables, and for other purposes.

Action: Referred to Committee on Coinage, Weights and Measures. Reported May 16, 1921.

H. R. 8086—BY REP. VOIGHT (R. WIS.)

Title: A bill to prohibit the sale of milk from which the butter fat has been removed and for which vegetable oil has been substituted as an article of food. (Known as "Filled-milk Bill.")

Action: Passed House, May 25, 1922. Pending action by Senate Committee on Agriculture.

A Muscle Shoals development plan for the purpose of producing fertilizers is among the measures approved and listed by the Agricultural Bloc, for attention. The Bloc, however, has not agreed upon a definite bill. The several bills providing legislation on this subject, under consideration by the Bloc, were listed in the June issue of the CONGRESSIONAL DIGEST.

H. J. RES. 314—BY REP. GREEN (R. IA.)

Title: A joint resolution proposing an amendment to the Constitution of the United States. (To stop the further issuance of tax-exempt securities by the Federal or State Governments.)

Action: Reported May 3, 1922, from Committee on Ways and Means. Reported No. 969. Passed House Jan. 24, 1923.

Measures Not Yet Referred to Senate

H. R. 13125—BY REP. STRONG (R. KANS.)

Title: A bill to amend Sections 3, 4, 6, 9, 12, and 15 of the Act of Congress approved July 17, 1916, known as the Federal Farm Loan Act. (To increase individual federal farm loans, etc.)

Action: Referred to Committee on Banking and Currency.

H. R. 13806—BY REP. TOWNER (R. IA.)

Title: A bill to provide credit facilities for the agricultural and livestock industries of the United States; to amend the Federal Farm Loan Act; to amend the Federal Reserve Act and for other purposes.

Action: Referred to Committee on Banking and Currency

Membership of the Farm Bloc

In the Senate

Republicans

Arthur Capper, Kans., Chairman, Senate Farm Bloc.
George W. Norris, Nebr., Chairman, Senate Agri. Com.
Frank R. Gooding, Idaho. Wesley L. Jones, Wash.
Charles L. McNary, Ore. Irvine L. Lenroot, Wis.
Peter Norbeck, S. Dak. Frank B. Kellogg, Minn.
John W. Harrel, Okla. Robert N. Stanfield, Ore.
Robert M. LaFollette, Wis. Thomas Sterling, S. Dak.
Edwin F. Ladd, N. D. Smith W. Brookhart, Ia.

Democrats

Ellison D. Smith, S. Car. William J. Harris, Ga.
John B. Kendrick, Wyo. Henry F. Ashurst, Ariz.

Joseph E. Ransdell, La.
Duncan U. Fletcher, Fla.
Morris Sheppard, Tex.
J. Thomas Heflin, Ala.
Andrieus A. Jones, N. Mex.

Nathaniel B. Dial, S. Car.
Claude A. Swanson, Va.
Pat Harrison, Miss.
T. H. Caraway, Ark.

In the House

Rep. L. J. Dickinson, of Iowa, is chairman of the House Farm Bloc. The organization of the Farm Bloc movement in the House has never been so clearly defined as in the Senate. It is understood to consist of an agricultural representative from each state whose responsibility it is to "line up" his state delegation whenever agricultural legislation is up for consideration.

Agricultural Measures Pending on Senate Calendar

The calendar is the printed list of bills in the order of their report from committee.

S. 491—BY SEN. SMOOT (R. UTAH)

Title: A bill to provide, without expenditure of Federal funds, the opportunities of the people to acquire rural homes, and for other purposes.

Reported: June 10, 1921 from Committee on Public Lands and Surveys, with an amendment. (Report No. 106.)

S. 3254—BY SEN. McNARY (R. ORE.)

Title: A bill to encourage the development of the agricultural resources of the United States through Federal and State cooperation, giving preference in the matter of employment and the establishment of rural homes to those who have served with the military and naval forces of the United States.

Reported: March 8, 1922, from Committee on Irrigation and Reclamation, reported an original bill. (Report No. 542.)

S. J. RES. 188—BY SEN. EDGE (R. N. J.)

Title: Joint resolution creating a committee to investigate existing conditions of industry and commerce in the United States for the purpose of recommending to Congress legislation defining the rights and limitations of cooperative organizations, as distinguished from illicit combinations in restraint of trade.

Reported: April 12, 1922, from Committee to Audit and Control the Contingent Expenses of the Senate, without amendment.

S. J. RES. 227

Title: Joint resolution rejecting bids for the acquisition of Muscle Shoals.

Reported: July 20, 1922, from Committee on Agriculture and Forestry. (Report No. 831.)

S. 3146—BY SEN. DIAL (D. S. C.)

Title: A bill to amend Sec. 5 of the United States cotton futures act.

Reported: July 31, 1922, from Committee on Agriculture and forestry, adverse report. (Report No. 841.)

S. 3858—BY SEN. STERLING (R. S. DAK.)

Title: A bill to define butter and to provide a standard therefor.

Reported: August 19, 1922, from Committee on Agriculture and Forestry without amendment. (Report No. 862.)

S. 3995—BY SEN. BURSUM (R. NEW MEX.)

Title: A bill to authorize the Secretary of Agriculture to exterminate bean beetles in the State of New Mexico, and authorizing the expenditures therefor.

Reported: Sept. 20, 1922, from Committee on Agriculture and Forestry, with amendments.

S. 4050—BY SEN. NORRIS (R. NEB.)

Title: A bill to provide for the purchase and sale of farm products.

Reported: Dec. 15, 1922, from Committee on Agriculture and Forestry, with amendments. (Report No. 949).

S. 799—BY SEN. CAPPER (R. KANS.)

Title: A bill to prevent deceit and unfair prices that result from the unrevealed presence of substitutes for virgin wool in woven fabrics purporting to contain wool, and in garments or articles of apparel made therefrom, manufactured in any territory of the United States or the District of Columbia, or transported in interstate or foreign commerce, and providing penalties for the violation of the provisions of this act, and for other purposes. (Known as the "Truth in Fabrics Bill.")

Reported: Dec. 22, 1922, from Committee on Interstate Commerce, with amendments.

H. R. 8086—BY REP. VOIGHT (R. WIS.)

Title: An act to prohibit the shipment of filled milk in interstate or foreign commerce. (Known as the "Filled Milk Bill.")

Reported: Jan. 4, 1923, from Committee on Forestry, with amendments. (Report No. 987.)

S. 4286—BY SEN. CAPPER (R. KANS.)

Title: A bill to provide credit facilities for the agricultural and livestock industries of the United States; to amend the Federal Reserve Act; to amend the Federal Farm Loan Act; to extend and stabilize the market for United States bonds and other securities; to provide fiscal agents for the United States, and for other purposes.

Reported: Jan. 8, 1923, from Committee on Banking and Currency with Amendments. (Report No. 998.)

S. 4281—BY SEN. JONES (R. WASH.)

Title: A bill to appropriate \$500,000 for the purchase of seed grain to be supplied to farmers in the crop-failure areas of eastern Washington, said amounts to be expended under rules and regulations prescribed by the Secretary of Agriculture.

Reported: Jan. 11, 1923, from Committee on Agriculture and Forestry, without amendment.

S. 4287—BY SEN. LENROOT (R. WIS.)

Title: A bill to provide credit facilities for the agricultural and livestock industries of the United States; to amend the Federal Farm Loan act; to amend the Federal Reserve Act; and for other purposes.

Reported: Jan. 11, 1923, from Committee on Banking and Currency, with amendments. (Report No. 1003.)

S. J. RES. 265—BY SEN. SMITH (D. S. C.)

Title: Joint resolution to stimulate crop production in the United States.

Reported: Jan. 11, 1923, from Committee on Agriculture and Forestry, without amendment.

Agricultural Measures Pending on House Calendar

H. R. 4900—BY REP. VESTAL (R. IND.)

Title: A bill to fix standards for hampers, round stave baskets, and splint baskets for fruit and vegetables and for other purposes.

Reported: May 16, 1921, from Committee on Coinage, Weights and Measures. (Report No. 70.)

H. R. 7103—BY REP. VESTAL (R. IND.)

Title: A bill to establish the standard of weights and measures for the following wheat-mill and corn-mill products, namely, flours, hominy, grits, and meals, and all commercial feeding stuffs, and for other purposes.

Reported: June 17, 1921, from Committee on Coinage, Weights and Measures. (Report No. 190.)

H. R. 7401—BY REP. STEENERSON (R. MINN.)

Title: A bill prescribing standards and grades for spring wheat.

Reported: August 19, 1921, from Committee on Agriculture. (Report No. 357.)

H. R. 8399—BY REP. McFADDEN (R. PENN.)

Title: A bill to amend Sec. 11 (m) of the act approved Dec. 23, 1913, known as the Federal Reserve Act, as amended by the acts approved Sept. 7, 1916, March 3, 1919, and Feb. 27, 1921.

Reported: October 26, 1921, from the Committee on Banking and Currency. (Report No. 442.)

S. 2023—BY SEN. SHEPPARD (R. TEX.)

Title: A bill defining the crop failure in the production of wheat, rye or oats by those who borrowed money from the Government of the United States for the purchase of wheat, rye or oats for seed and for other purposes.

Reported: Feb. 13, 1922, from Committee on Agriculture. (Report No. 697.)

H. R. 10819—BY REP. HAUGEN (R. IA.)

Title: A bill relating to the Department of Agriculture. (Fixing salaries of scientific employees in the Dept.)

Reported: March 9, 1922, from Committee on Agriculture. (Report No. 785.)

H. R. 9667—BY REP. WASON (R. N. H.)

Title: A bill to authorize appropriations for expenditures under the act of March 1, 1911 (36 Stat. L., p. 961) (authorizing appropriations for protection of watershed of navigable streams).

Reported: March 9, 1922, from Committee on Agriculture. (Report No. 787.)

H. R. 10614—BY REP. SMITH (R. IDAHO.)

Title: A bill to encourage the development of the agricultural resources of the United States through Federal and State cooperation giving preference in the matter of employment and the establishment of homes to those who served with the military and naval forces of the United States.

Reported: April 7, 1922, from Committee on Irrigation of Arid Lands. (Report No. 883.)

H. R. 2238—BY REP. OSBORNE (R. CAL.)

Title: A bill to amend the United States Cotton Futures Act by inserting therein a new section for American Egyptian cotton only, to be known as Section 5A.

Reported: April 14, 1922, from Committee on Agriculture. (Report No. 904.)

H. R. 11452—BY REP. DENISON (R. ILL.)

Title: A bill to appropriate \$1,000,000 for the purchase of seed, grain and livestock to be supplied to farmers in over-flooded areas of the United States, said amount to be expended under rules and regulations prescribed by the Secretary of Agriculture.

Reported: May 3, 1922, from Committee on Agriculture. (Report No. 987.)

H. RES. 357—BY REP. BRAND (D. GA.)

Title: A resolution directing the United States Department of Agriculture and the Post Office Department to investigate the feasibility of furnishing market prices of cotton, corn, wheat, livestock and dairy products by radiophone to the farmers.

Reported: June 3, 1922, from Committee on Agriculture. (Report No. 1064.)

H. R. 11903—BY REP. MCKENZIE (R. ILL.)

Title: A bill to authorize and direct the Secretary of War to sell to Henry Ford, Nitrate Plant No. 1 at Sheffield, Ala.; Nitrate Plant No. 2 at Muscle Shoals, Ala.; Waco Quarry, near Russellville, Ala.; and to lease to the corporation to be incorporated by him, Dam No. 2 and Dam No. 3 (as designated in House Document 1262, Sixty-fourth Congress, first session), including power stations when constructed as provided herein, and other purposes.

Reported: June 9, 20, 1922, from Committee on Military Affairs. (Report No. 1084.) (Minority views, pt. 2.)

H. R. 12021—BY REP. GREENE (R. MASS.)

Title: A bill to amend and supplement the Merchant Marine Act, 1920, and for other purposes.

Reported: June 16, 28, 1922, from Committee on Merchant Marine and Fisheries. (Report No. 1112.) (Minority views, pt. 2.)

H. R. 11966—BY REP. RIDDICK (R. MONT.)

Title: A bill defining the crop failure in the production of wheat, rye, barley, oats, and flax by those to whom the Government of the United States loaned money, under the act of March 3, 1921, for the purchase of wheat, rye, barley or flax for seed, and for other purposes.

Reported: June 19, 1922, from Committee on Agriculture. (Report No. 1115.)

H. R. 12053—BY REP. HAUGEN (R. IA.)

Title: A bill to define butter and to provide a standard therefor.

Reported: June 24, 1922, from Committee on Agriculture. (Report No. 1141.)

S. 3220

Title: An act amending Secs. 2, 5, 11, 12, 15, 19, 29 and 30 of the United States Warehouse Act, approved August 11, 1916. (Issuance of licenses to inspect products stored in any warehouse for shipment.)

Reported: December 23, 1922, from Committee on Agriculture. (Report No. 1317.)

Changes in Organization of U. S. Department of Agriculture Provided for in 1924 Appropriations Approved by Congress

Extracts from Report of House Committee on Appropriations
To accompany H. R. 13481 making appropriations for the Department of Agriculture
for the fiscal year ending June 30, 1924

APPROPRIATIONS AND ESTIMATES

The estimates of appropriations upon which the bill is based were submitted by the President in the Budget for the fiscal year 1924. The total of the estimates for the regular annual appropriations submitted for consideration in connection with this bill is \$36,031,613. In addition to this amount, an estimate of \$33,000,000 is submitted for the construction of forest roads and trails and rural post roads, under the provisions of the Federal highway act, November 9, 1921, and the Post Office Department appropriation act, 1923.

These two sums, aggregating \$69,031,613, represent the total of the estimates of appropriations considered by the committee in framing the bill.

The estimate permanent and indefinite appropriations for the fiscal year 1924 aggregate \$12,220,000. Inasmuch as the permanent annual and indefinite appropriations are those which occur automatically each year without annual action by Congress, the committee considered only the total of the estimates for the Department of Agriculture customarily submitted for annual action by Congress. That sum, including the \$33,000,000 for road construction, as heretofore stated, is \$69,031,613.

The total regular annual appropriations for the Department of Agriculture for the fiscal year 1923 in all acts amount to \$46,929,173. Of this amount, \$10,000,000 was appropriated for road construction work by the Federal highway act, November 9, 1921.

The amount recommended to be appropriated in this bill for the fiscal year 1924 is \$68,781,553. This sum, compared with the regular annual appropriations for 1923 and the estimates for 1924, is as follows: It is \$21,852,380 more than the total of the 1923 appropriations and it is \$250,060 less than the amount requested in the Budget estimates.

Increases over the Budget estimates are recommended in several instances, while in other estimates of appropriations reductions are recommended.

REORGANIZATION

A reorganization of two offices, recommended by the President, and transmitted to Congress in the Budget, has resulted in the establishment of four separate units. The two offices consolidated and reorganized are the Division of Publications and the States Relations Service, and the four units resulting therefrom are (1) the Offices of Editorial and Distribution Work, (2) the Office of Experiment Stations, (3) the Extension Service, and (4) the Bureau of Home Economics. The first three of these units have been placed under the Office of the Secretary of Agriculture, while the fourth, the

Bureau of Home Economics, is recommended as a separate bureau. This reorganization makes necessary a readjustment of the statutory rolls and the accompanying necessary changes in the designation of general expense appropriations.

Under the plan of organization of the Department of Agriculture, all the work of its various bureaus, divisions, offices, and boards will be placed under the general direction of either the Office of the Secretary, the Director of Scientific Work, the Director of Regulatory Work, or the Director of Extension. At the present time, the larger part of the work of the States Relations Service and the Division of Publications has to do with the dissemination of information developed by the investigational bureaus of the department. Because of this relationship, and in order to insure the proper coordination of these activities, it is believed desirable to place these services directly under the Office of the Secretary.

In carrying out these changes, it is proposed to combine the work relating to agricultural exhibits and motion pictures, now conducted under the Division of Publications, with the extension activities under the States Relations Service, and to organize a separate unit resulting from this consolidation under the Office of the Secretary, to be known as the Extension Service.

It is also proposed to create separate units under the Secretary's Office, to be known as the Offices of Editorial and Distribution Work, to which will be assigned the duty of editing and distributing department publications and other related work now performed by the Division of Publications.

The plan further contemplates the transfers of the research phases of the work of the present States Relations Service to other units of the department. This will involve the creation of a new Bureau of Home Economics, which will constitute one of the major divisions of the department's organization, and the establishment under the Office of the Secretary of an Office of Experiment Stations, taking over from the States Relations Service the administration of the research work supported by Federal appropriations provided by the Hatch and Adams Acts, as well as the investigational work now under way at the various department experiment stations located in outlying possessions of the United States. This will permit of the close coordination of the research work of the various bureaus of the department and that conducted by the State agricultural experiment stations under the immediate supervision of the Director of Scientific Work.

The reorganization has resulted in a decrease of \$47,580 in the amount recommended to be appropriated compared with the appropriations for similar purposes during the fiscal year 1923.

Extracts from Report of Senate Committee on Appropriations

To accompany H. R. 13481.

Amount of bill as passed House	\$69,068,053
Amount of bill as reported to Senate	72,901,653
Amount of regular and supplemental estimates for 1924	69,031,613
Amount of appropriations for 1923	46,929,173
The bill as reported to Senate:	
Exceeds the appropriations for 1923	25,972,480
Exceeds the estimates for 1924	3,870,040

Amount of bill as reported to the Senate	\$72,901,653
(Amount of bill as passed by the Senate)	73,741,653
(Exceeds the appropriation for 1923)	26,812,480

(These figures are subject to change in conference.)

United States Department of Agriculture

HON. HENRY C. WALLACE, SECRETARY OF AGRICULTURE

HENRY CANTWELL WALLACE, of Des Moines, Iowa, was born at Rock Island, Ill., May 11, 1866, son of Henry and Nannie (Cantwell) Wallace; B. S. A. Iowa State College of Agriculture and Mechanic Arts, Ames, Iowa, 1892, LL. D. 1922; married Carrie May Brodhead, of Muscatine, Iowa, November 24, 1887; farmer and breeder of pure-bred live stock, Adair County, Iowa, 1887-1891; professor of dairying Iowa State College, 1893-1895; editor Creamery Gazette and Farm and Dairy 1893-1895; manager and associate editor Wallace's Farmer 1895-1916; editor of same 1916-1921; president and treasurer Wallace's Publishing Co. and Capital City Printing Plate Co.; director Central State Bank; member United States Live Stock Industry Commission (executive committee) during the war; secretary Corn Belt Meat Producers' Association, 16 years; member National War Work Council, Y. M. C. A.; chairman Iowa War Work Council, Y. M. C. A.; chairman State executive committee, Iowa Y. M. C. A. 1914-1920; member international committee Y. M. C. A.; member executive committee, Roosevelt Memorial Association; member Delta Tau Delta, Phi Kappa Phi; Republican; United Presbyterian; Mason; member Prairie, Des Moines, Grant, Golf, and Country Clubs; member Rock Creek Park Commission, National Forest Reservation Commission, Federal Board for Vocational Education, Federal Power Commission, and War Finance Corporation.—*From Congressional Directory.*

Duties of the Secretary of Agriculture

To perform such duties as are imposed upon him by law, or entrusted to him by the President, in the promotion of agriculture and the protection of national forests and game.

To determine policies affecting the preservation of such natural resources and national monuments as come under the jurisdiction of the department.

To promulgate rules and regulations respecting government reservations under the control of the department and those phases of interstate and foreign commerce which come under the jurisdiction of the department.

To pass upon all matters referred by the Solicitor to the Department of Justice.

To approve all leases, bonds, contracts, and other similar

documents. To recommend the appointment of presidential officers in the department, and to approve appointments under civil service rules and regulations.

To pass upon work programs prepared by the chiefs of the several offices, services, and bureaus.

To issue orders affecting the policies and programs of the different offices, services, and bureaus, and to effect inter-bureau co-operation.

To appear before congressional committees on matters of appropriations and proposed legislation affecting the department.

Is a member in various capacities of several boards and commissions.

Departmental Divisions

Offices and Bureaus printed below include both the present organization and the changes contemplated in the reorganization plan effective July 1, 1923.

Secretary of Agriculture, Henry C. Wallace, salary \$12,000.

Assistant Secretary, C. W. Pugsley, salary \$5,000.

*Office of Editorial and Distribution Work and Press Information, assistant in charge of editorial work, salary \$5,000.

Director of Scientific Work, E. D. Ball, salary \$5,000.

*Director of Extension Work, salary \$5,000.

Director of Regulatory Work (Director not yet appointed), salary \$5,000.

BUREAUS AND OFFICES OF THE DEPARTMENT

Bureau of Agricultural Economics, Chief, Henry C. Taylor, salary \$5,000.

Weather Bureau, Chief, Charles F. Marvin, salary \$5,000.

Bureau of Plant Industry, Chief, William A. Taylor, salary \$5,000.

Bureau of Animal Industry, Chief, John R. Mohler, salary \$5,000.

Forest Service, Chief, W. B. Greeley, salary \$5,000.

Bureau of Chemistry, Chief, Walter G. Campbell, salary \$5,000.

Bureau of Soils, Chief, Milton Whitney, salary \$4,000.

Bureau of Entomology, Chief, L. O. Howard, salary \$5,000.

Bureau of Biological Survey, Chief, E. W. Nelson, salary \$4,000.

*Division of Publications, Chief, John L. Cobbs, salary \$3,500.

*States Relation Service, Director, A. C. True, salary \$4,500.

Bureau of Public Roads, Chief, Thomas H. MacDonald, salary \$6,000.

Insecticide and Fungicide Board, Executive officer, J. K. Haywood, salary \$2,750.

Federal Horticultural Board, Secretary of Board, C. L. Marlatt, salary \$2,280.

Division of Accounts and Disbursements, Chief, A. Zapone, salary \$4,000.

Library, Librarian, Claribel R. Barnett, salary \$2,000.

*Bureau of Home Economics (salary of chief to be determined by the secretary).

*Old units consolidated and reorganized, effective July 1, 1923.

*New units established, effective July 1, 1923.

Congress Day by Day

Principal Action on the Floor of the Senate and House, Dec. 18, 1922-Jan. 16, 1923

(Exclusive of debate, bills or resolutions introduced, and committee reports)

Monday, December 18, 1922

SENATE:

Resumed consideration of Ship subsidy bill (H. R. 12817).
 Sen. Ransdell (D. La.) spoke in support of the bill.
 Sen. Borah (R. Idaho) attacked arguments of advocates of the bill that Ship subsidy is necessary as a defense measure.
 Sen. Brookhart (R. Iowa) in his maiden speech spoke against the Ship subsidy bill.
 Sen. Williams (D. Miss.) spoke against Sen. Norris' bill (S. 4050) "To provide for the purchase and sale of farm products."

HOUSE:

After continued discussion passed the Naval appropriation bill (H. R. 13374) carrying a total of \$325,000,000. (Referred to Senate Committee on Appropriations.)
 Passed a bill (S. 4100) amending section 9 of Trading with the Enemy Act. (Approved Dec. 27, 1922. Public Law No. 372.)

Tuesday, December 19, 1922

SENATE:

Considered the pending motion to lay aside the Ship subsidy bill and substitute the Norris grain purchase measure as a means of agricultural relief.
 Sen. Brookhart (R. Iowa) continued his speech against the Ship subsidy bill.
 Sen. Smith (D. S. Car.) spoke on agricultural legislation generally.
 Sen. Heflin (D. Ala.) made another attack on the Federal reserve board.

HOUSE:

Began consideration of (H. J. Res. 314) for a constitutional amendment to prohibit the issuance of tax exempt securities.

Wednesday, December 20, 1922

SENATE:

Resumed consideration of the Ship subsidy bill (H. R. 12817). An unsuccessful attempt was made to agree upon a time for a vote on Sen. Norris' motion to proceed with consideration of his grain purchasing bill, thereby displacing the Ship subsidy measure.
 Sen. Norris (R. Nebr.) announced that if his motion failed he would follow it with (S. J. Res. 253), another of the progressive bloc proposals.
 Passed (H. J. Res. 180) extending the provisions of the act of Feb. 25, 1919, allowing credit for military service during the war with Germany in homestead entries, and of Public Resolution No. 29, allowing a preferred right of entry for at least 60 days after the date of opening in connection with lands opened or restored to entry to citizens of the United States who served with the allied armies during the World War. (Approved Dec. 28, 1922, Public Law No. 79.)
 Sen. Ladd (R. N. Dak.) attacked Sen. Norris' bill for government development of the Muscle Shoals project. The proposal was defended by Sen. Norris.
 Passed (H. J. Res. 279) permitting immigrants who entered prior to last March 7 in excess of the quota and subsequently admitted under bond, to remain permanently.

HOUSE:

Considered the Agricultural Department bill (H. R. 13481).

Thursday, December 21, 1922

SENATE:

Resumed consideration of the Ship subsidy bill (H. R. 12817). Sen. Calder (R. N. Y.), advocating the shipping bill in a speech, declared government aid for American shipping as provided for in the bill would "tend immeasurably to help every State, city, town, village and farm."
 Sen. Dial (D. So. Car.) spoke in opposition to the Ship subsidy bill.
 Sen. Capper (R. Kans.) spoke on the condition of the schools of the District of Columbia, declaring "the indifference and lack of intelligent consideration which the people of the District of Columbia have to meet in their governing body is almost sufficient cause for them to gather in force and march on Congress."
 Confirmed the nominations of Pierce Butler (D. Minn.) as associate justice of the Supreme court; and the reappointment of Charles C. McChord and Joseph Eastman as members of the Interstate Commerce Commission.

HOUSE:

Resumed consideration of the Agricultural bill (H. R. 13481).
 Adopted conference report on the Bursum bill (S. 3275) increasing pensions of civil and Mexican war veterans and nurses who served during either war.

Friday, December 22, 1922

SENATE:

Passed (S. J. Res. 218) to create a commission to consider the proposal of a central building for art and industry in the District of Columbia. (Referred to House Committee on Public Buildings and Grounds.)
 Began consideration of the Naval appropriation bill (H. R. 13374).
 Sen. Borah (R. Idaho) spoke in support of his amendment to the Naval appropriation bill. The amendment proposes a conference of world powers to consider economic questions, to be called by President Harding, with a view to reaching possible agreements, to establish more stable financial and business conditions and to bring about a reduction in land and naval armaments.

HOUSE:

Resumed consideration of the Agricultural appropriation bill (H. R. 13481). The provision for free seeds was struck from the bill.

Saturday, December 23, 1922

SENATE:

Passed (S. 4172) to authorize the building of a bridge across the Great Pee Dee River, South Carolina. (Referred to House Committee on Interstate and Foreign Commerce.)
 Adjourned until Wednesday December 27, 1922, for the Christmas recess.

HOUSE:

Completed consideration of the Agricultural appropriation bill (H. R. 13481).

Wednesday, December 27, 1922

SENATE:

Resumed consideration of the Naval appropriation bill (H. R. 13374).
 Sen. Lodge (R. Mass.) opposed Sen. Borah's amendment, emphasizing the fact that the conduct of the foreign affairs is in the hands of the executive and should be left there.
 Sen. Borah (R. Idaho) declared that Congress constitutionally could exercise much more power with reference to foreign affairs than it had assumed during the last few years.
 Sen. Lenroot (R. Wisc.) in a speech opposed Sen. Borah's amendment.
 Sen. Williams (D. Miss.) upheld the retention of American troops on the Rhine, declaring that they were there "to give notice to Germany that she must remember and that she must not forget."

HOUSE:

Began consideration of the Interior Department appropriation bill (H. R. 13559).

Thursday, December 28, 1922

SENATE:

President Harding in a letter to Sen. Lodge (R. Mass.) asked the Senate not to adopt Sen. Borah's proposal for a new international economic conference, for the reason that formal congressional action now would embarrass him in negotiations he already is conducting looking to such a conference.
 Passed (S. Res. 386) proposed by Sen. Harris (D. Ga.) conveying to former President Wilson "the pleasure and joy" of the Senate "because of his rapid recovery to good health."
 Resumed consideration of the Naval appropriation bill (H. R. 13374). Sen. McNary (R. Oreg.) supported Sen. Borah's amendment as did Sen. Caraway (D. Ark.) and Sen. Heflin (D. Ala.).
 Sen. McCormick (R. Ill.) opposed Sen. Borah's amendment.

HOUSE:

Resumed consideration of the Interior Department appropriation bill (H. R. 13559).

Friday, December 29, 1922

SENATE:

Resumed consideration of the Naval appropriation bill (H. R. 13374).
 Sen. Johnson (R. Calif.) in a speech opposed Sen. Borah's amendment as did Sen. Kellogg (R. Minn.).
 Sen. Moses (R. N. H.) took the position that no proposal similar to that pending ought to be entertained prior to a sincere effort on the part of Europe itself to better its own condition.
 Sen. Reed (D. Mo.) declared the economic conditions of the world were public property.
 Sen. Borah (R. Idaho) replying to his critics, asserted he did not believe it possible to escape the consequences of conditions in Europe. The United States, he said, was a part of them and must deal in them.
 HOUSE:
 Completed consideration of the Interior Department appropriation bill (H. R. 13559).

THE CONGRESSIONAL DIGEST

Saturday, December 30, 1922

SENATE:

Passed the \$325,000,000 Naval appropriation bill (H. R. 13374).
Sen. Heflin (D. Ala.) in a speech demanded Democratic representation on the allied debt commission.

Because of speeches on extraneous subjects Republican leaders charged the Democrats with conducting a filibuster with a view to preventing action before adjournment on the administration Ship subsidy measure.

HOUSE:

Considered the Post Office appropriation bill (H. R. 13593).

Wednesday, January 3, 1923

SENATE:

Passed bill (S. 4096) authorizing the coinage of a 50 cent piece commemorating the 100th anniversary of the enunciation of the Monroe doctrine. (Referred to House Committee on Coinage Weights and Measures.)

Sen. Jones (R. Wash.) called up his resolution for the appointment of a special committee to investigate the rules with a view to enabling a majority to bring a question to a vote and stop filibustering, but Sen. Harrison (D. Miss.) objected and it was referred to the Rules Committee.

Passed bill (S. 214) authorizing Federal district courts to try private claims against the government amounting to a maximum of \$50,000 in place of the present limit of \$10,000. (Referred to House Committee on Judiciary.)

The President sent in a message vetoing the Bursum bill (S. 3275) granting pensions to certain soldiers, sailors, and marines of the civil, Mexican and other wars.

Resumed consideration of the Ship subsidy bill.

Sen. Sheppard (D. Texas) spoke at length against the Ship subsidy bill.

Passed bill (S. 4187) to extend the time for payment of charges due on reclamation projects. (Referred to House Committee on Irrigation of Arid Lands.)

HOUSE:

Passed the Post Office appropriation bill (H. R. 13593).
Passed the Agricultural appropriation bill (H. R. 13481).
Passed the Interior appropriation bill (H. R. 13559).

Thursday, January 4, 1923

SENATE:

Sen. Sheppard (D. Texas) resumed and concluded the speech begun by him yesterday against the Ship subsidy bill.

Sen. Robinson (D. Ark.) in a speech, supported his resolution for an American representative on the reparations commission.

Sen. Lodge (R. Mass.), Sen. Brandegee (R. Conn.).

Sen. Johnson (R. Calif.) and Sen. McKellar (D. Tenn.) took part in the discussion.

HOUSE:

Passed the Second Deficiency appropriation bill (H. R. 13615) carrying approximately \$75,000,000. (Referred to Senate Committee on Appropriations.)

Friday, January 5, 1923

SENATE:

Considered and passed Interior Department appropriation bill (H. R. 13559) carrying \$294,000,000. (Sent to Conference Jan. 8, 1923. Senate agreed Jan. 12, 1923.)

Passed the joint resolution (S. J. Res. 259) authorizing the President to abrogate the international agreements embodied in certain Executive orders relating to the Panama Canal. (Referred to House Committee on Interstate and Foreign Commerce.)

HOUSE:

Began consideration of the District of Columbia appropriation bill (H. R. 13660).

Adopted a resolution (H. Res. 475) requesting the President to report on the status and activities of the Sugar Equalization Board.

Saturday, January 6, 1923

SENATE:

Adopted (S. Res. 309) by Sen. McKellar (D. Tenn.) calling upon the Commissioners and heads of all bureaus of the Government in the city of Washington for detailed information concerning the use of motor vehicles.

Agreed to (S. Res. 395) by Sen. Reed (D. Mo.) "Resolved, That the President is hereby respectfully requested to at once cause the return to the United States of all troops now stationed in Germany."

Sen. Caraway (D. Ark.) attacked Attorney General Daugherty.

HOUSE:

Continued consideration of the District of Columbia appropriation bill (H. R. 13660).

Monday, January 8, 1923

SENATE:

Passed the second deficiency appropriation bill (H. R. 13615). (Sent to conference Jan. 9, 1923. Senate agreed Jan. 10, 1923. House agreed Jan. 11, 1923.)

Agreed to (S. Res. 400) by Sen. Pomerene (D. Ohio) calling upon the shipping board for information regarding possibility of equipping government vessels with Deisel oil engines.

Passed (S. J. Res. 41) authorizing transportation for dependents of Army field clerks and field clerks, Quartermaster Corps.

Passed (H. R. 7658) to amend act approved Aug. 25, 1919 entitled "An act for the relief of contractors and sub-contractors for the post office and other buildings and works under the supervision of the Treasury Department."

Passed (S. J. Res. 250) to donate to the Veterans of Foreign Wars of the United States certain war trophies captured by or surrendered to the armed forces of the United States in the World War. (Referred to House Committee on Military Affairs.)

Passed (S. 3244) to authorize the transfer of surplus books from the Navy Department to the Interior Department. (Referred to House Committee on Naval Affairs.)

HOUSE:

Passed the District of Columbia appropriation bill (H. R. 13660), carrying a total of approximately \$22,000,000. (Referred to Senate Committee on Appropriations.)

Tuesday, January 9, 1923

SENATE:

Considered the Agricultural appropriation bill (H. R. 13481).
Sen. Bursum (R. N. Mex.) announced he would not attempt to pass his Civil and Mexican war pension bill (S. 3275) over the President's veto.

Sen. Heflin (D. Ala.) in a speech on the World War Debt Funding Commission insisted that the Democratic party should be represented upon that Commission.

Sen. Capper (R. Kans.), chairman of the Farm bloc, in a speech, endorsed proposals for American aid toward settlement of European economic problems in the interest of the American farmer.

Adopted conference report on the Naval appropriation bill (H. R. 13374).

HOUSE:

Considered the Independent offices appropriation bill (H. R. 13696).
Debated briefly the Foreign Debt.

Wednesday, January 10, 1923

SENATE:

Resumed consideration of the Agricultural appropriation bill (H. R. 13481).

Sen. McCumber (R. N. Dak.) in a speech on the rural credit bills declared that cooperative organization of Farmers and not credits was their prime need.

HOUSE:

Continued consideration of the Independent offices appropriation bill (H. R. 13696).

Adopted conference report on the Naval appropriation bill (H. R. 13374).

Thursday, January 11, 1923

SENATE:

Continued consideration of the Agricultural appropriation bill (H. R. 13481).

Debated the Packer control act. Sen. Fernald (R. Maine) and Sen. Watson (R. Ind.) attacked it while Sen. LaFollette (R. Wis.), Sen. Simmons (D. N. C.), and Sen. Kendrick (D. Wyo.) defended it.

HOUSE:

Continued consideration of the Independent offices appropriation bill (H. R. 13696).

Rep. Treadway (R. Mass.) and Rep. Fess (R. Ohio) attacked the Federal Trade Commission. Rep. Byrns (D. Tenn.) and Rep. Wood (R. Ind.) defended it.

Friday, January 12, 1923

SENATE:

Discussed the Agricultural appropriation bill (H. R. 13481).
Sustained a point of order against an amendment appropriating \$360,000 for free seeds.

HOUSE:

Passed the Independent offices appropriation bill (H. R. 13696).

THE CONGRESSIONAL DIGEST

Saturday, January 13, 1923

SENATE:

Passed the Agricultural appropriation bill (H. R. 13481) with amendments. For the first time the free seeds item will not appear in the bill, effecting a saving of \$360,000.

Passed (S. J. Res. 265) creating a revolving fund of \$10,000,000 for the purchase and sale to cotton planters at cost of nitrates and calcium arsenate, for the purpose of stimulating early cotton planting.

Passed the Post office appropriation bill (H. R. 13593) with amendments.

Passed a bill (S. 4309) establishing an Hawaiian homes commission.

HOUSE:

Not in session.

Sunday, January 14, 1923

HOUSE:

Memorial services were held for Hon. James R. Mann, late Representative from the State of Illinois.

Monday, January 15, 1923

SENATE:

Rejected the motion of Sen. Norris (R. Nebr.) to proceed with con-

sideration of his bill (S. 4050) for creation of a government corporation empowered to buy and sell farm products.

Sen. Capper's farm credit bill (S. 4280) was laid before the Senate.

Sen. McLean (R. Conn.) made the opening speech in favor of the bill.

Sen. Heflin (D. Ala.) spoke briefly in reply to Sen. McLean.

Sen. Capper (R. Kans.) spoke in support of his bill and explained its provisions at length.

HOUSE:

Passed a large number of bills on the unanimous consent calendar.

Tuesday, January 16, 1923

SENATE:

Sen. McKellar (D. Tenn.) spoke on the cancellation of the war debts.

Debated Sen. Capper's farm credit bill (S. 3280).

Sen. Simmons (D. N. Car.) made an extended speech in opposition to the Capper farm credit bill.

HOUSE:

Began general debate on the War Department appropriation bill (H. R. 13793).

Committee Action

December 18, 1922-January 19, 1923

Committees of the Senate

Committee on Agriculture and Forestry

Chairman, Hon. George W. Norris, Nebr. *Clerk*, Mabelle J. Talbert.
Meets Tuesdays.

BILLS AND RESOLUTIONS REPORTED:

H. R. 8086 (Townsend)—"To prohibit the shipment of filled milk in interstate or foreign commerce." Reported Jan. 3, 1923.

S. J. Res. 263 (Townsend)—"To authorize the Secretary of Agriculture to accept membership for the United States in the Permanent Association of the International Road Congresses." Favorably reported Jan. 12, 1923.

S. J. Res. 91 (Frelinghuysen)—"Authorizing the President to require the United States Sugar Equalization Board (Incorporated) to adjust a transaction relating to three thousand five hundred tons of sugar imported from the Argentine Republic." Reported Jan. 12, 1923.

S. J. Res. 172 (Frelinghuysen)—"Authorizing the President to require the United States Sugar Equalization Board (Incorporated) to take over and dispose of two thousand tons of sugar imported from the Argentine Republic and adjust the loss sustained thereby." Reported Jan. 12, 1923.

Committee on Appropriations

Chairman, Sen. Francis E. Warren, Wyo. *Clerk*, Kennedy F. Rea.
Meets on Call of Chairman.

(See page 4 for chart of action by this committee on the annual appropriation bills.)

Committee on Banking and Currency

Chairman, Hon. George P. McLean, Conn. *Clerk*, W. H. Sault.
Meets on Call of Chairman.

BILLS REPORTED:

S. 4287 (Lenroot)—"To provide credit facilities for the agricultural and live-stock industries of the United States; to amend the Federal Farm Loan Act; to amend the Federal Reserve Act; and for other purposes." Hearings held. Reported Jan. 9, 1923.

S. 4280 (Capper)—"To provide credit facilities for the agricultural and live-stock industries of the United States; to amend the Federal Reserve Act; to amend the Federal Farm Loan Act; to extend and stabilize the market for United States bonds and other securities; to provide fiscal agents for the United States; and for other purposes." Hearings held. Reported Jan. 8, 1923. Passed Senate Jan. 19, 1923.

Committee on Civil Service

Chairman, Hon. Thomas Sterling, S. C. *Clerk*, Jens M. Otterness.
Meets on Call of Chairman.

BILLS REPORTED:

S. 4167 (Sterling)—"To amend an Act entitled 'An Act for the retirement of employees in the classified civil service, and for other purposes.' Approved May 22, 1920, in order to extend the benefits of said Act to certain employees in the Panama Canal Zone. No hearings. Reported Jan. 5, 1923.

S. 3247—(Sterling)—"To transfer to the classified service agents and inspectors in the field service, including general prohibition agents and field supervisors appointed and employed pursuant to the National Prohibition Act, and for other purposes." No hearings. Reported Dec. 13, 1922.

Committee on Commerce

Chairman, Hon. Wesley L. Jones, Wash. *Clerk*, James H. Davis.
Meets Tuesdays.

BILLS REPORTED:

S. 4131 (Norbeck)—Granting the consent of Congress to the city of Sioux City, Iowa, to construct a bridge across the Big Sioux River. Passed Senate Dec. 22, 1922. Passed House Jan. 15, 1923.

S. 4133 (McCumber)—Granting the consent of Congress to the State of North Dakota and the State of Minnesota to construct a bridge across the Red River of the North. Passed Senate Dec. 22, 1922. Passed House amended Jan. 15, 1923.

H. R. 10531 (Winslow)—To distribute the commissioned line and engineer officers of the Coast Guard in grades, and for other purposes. Reported Dec. 22, 1922. Passed Senate Jan. 3, 1923. Approved Jan. 12, 1923. Public Law No. 381.

Committee on Finance

Chairman, Hon. Porter J. McCumber, N. Dak. *Clerk*, Robert W. Farrar.
Meets on Call of Chairman.

BILLS REPORTED:

S. 3846 (McCumber)—To amend an act entitled "An act to establish a Veterans Bureau and to improve the facilities and service of such bureau and further to amend and modify the War Risk Insurance Act," approved Aug. 9, 1921. Reported favorably, and passed the Senate Jan. 11, 1923.

HEARINGS:

S. 4245 (Calder)—To provide the necessary organization of the Customs Service for adequate administration and enforcement of the Tariff Act of 1922 and all other revenue laws. Hearings held Jan. 10, 1923. Before Sub-committee for purpose of reuniting in accordance with recommendations of the Treasury Department. Will probably be reported shortly.

Committee on Foreign Relations

Chairman, Hon. Henry Cabot Lodge, Mass. *Clerk*, Charles F. Redmond.
Meets on Call of Chairman.

REPORTS:

An Extradition Treaty between the United States and Venezuela, signed at Caracas on January 19, 1922, and an additional article thereto, signed at Caracas on January 21, 1922. (Executive X.) Reported and ratified by the Senate Jan. 5, 1923.

International convention signed at Sevre, France, on October 6, 1921, amending the convention relating to weights and measures, signed at Paris on May 20, 1875, and the regulations annexed to the said convention. (Executive Y.) Reported and ratified by the Senate Jan. 5, 1923.

Convention signed at Bogota on August 4, 1922, between the United States and the Republic of Colombia, to foster the development of commerce between them and to increase the exchange of commodities by facilitating the work of traveling salesmen. (Executive Z.) Reported and ratified by the Senate Jan. 5, 1923.

S. 3701 (Brandegge)—"for the relief of Blattmann Company." Reported favorably Jan. 5, 1923.

S. J. Res. 259 (Lodge)—Joint resolution "Authorizing the President to abrogate the international agreement embodied in certain Executive orders relating to the Panama Canal." Reported Jan. 5, 1923. Passed by Senate.

THE CONGRESSIONAL DIGEST

Committee on Immigration

Chairman, Hon. LeBaron B. Colt, R. I. Clerk, Henry M. Barry.
Meets on Call of Chairman.

BILLS AND RESOLUTIONS REPORTED:

S. Res. 384 (Ransdell)—Resolution providing for appointment by the President of the Senate a select committee to investigate immigration problems in United States, particularly with a view to relieve labor shortage. The committee to report to the Senate not later than Jan. 1, 1924.

H. J. Res. 279—Joint Resolution "To permit to remain with the United States certain aliens admitted temporarily under bond in excess of quotas fixed under authority of the Immigration Act of May 19, 1921." Considered by the full committee and favorably reported Dec. 19, 1922. Passed Senate without amendment as reported, Dec. 20, 1922.

S. 4092 (Keyes)—"Providing for the admission into the United States of certain refugees from near eastern countries." Sub-committee reported favorably Jan. 13, 1923. Full committee ordered favorable report to Senate, Jan. 15, 1923. Reported by Sen. Sterling favorably with amendments. Placed on Senate Calendar.

S. 4298 (Williams)—"For the extension of the number of Turkish Armenians admissible as immigrants to the United States, and for the admission of orphaned and homeless Armenian children to American orphan institutions and to adoption in American private families." Considered by the sub-committee and the Armenian orphan children feature embodied in Keyes bill S. 4092.

S. 4303 (Colt)—"To amend the joint resolution extending the operation of the Immigration Act of May 19, 1921, as amended by the resolution of May 11, 1922." Reported Jan. 9, 1923.

S. 4222 (Reed)—"To amend the Act entitled 'An Act to limit the immigration of aliens into the United States,' approved May 19, 1921, as amended and extended. Reported Dec. 22, 1922. Hearings scheduled Jan. 24, 1923.

Committee on Interstate Commerce

Chairman, Hon. Albert B. Cummins, Ia. Clerk, Paul H. Moore.
Meets on Call of Chairman.

BILLS REPORTED:

S. 799 (Capper)—"Truth in Fabrics bill." To prevent deceit and unfair prices that result from the unrevealed presence of substitutes for virgin wool in woven fabrics purporting to contain wool and in garments or articles of apparel made therefrom, manufactured in any Territory of the United States or the District of Columbia or transported or intended to be transported in interstate or foreign commerce, and providing penalties for the violation of the provisions of this Act, and for other purposes. Hearings were held two years ago. Reported Dec. 22, 1922.

Committee on Irrigation and Reclamation

Chairman, Hon. Charles L. McNary, Oreg. Clerk, Helen K. Kiefer.
Meets on Call of Chairman.

BILLS REPORTED:

S. 4187 (McNary)—"To extend the time for payment of charges due on reclamation projects and for other purposes." Substituted for S. 4034. Reported Dec. 16, 1922.

Committee on Judiciary

Chairman, Hon. Knute Nelson, Minn. Clerk, Simon Michelet.
Meets Mondays.

BILLS REPORTED:

S. 3614 (Nelson)—Relating to the official bond of the United States marshal for the southern judicial district of the State of New York. Hearings held. Reported Jan. 18, 1923.

S. 425—A bill "Fixing the salaries of certain United States attorneys and United States marshals." Reported Dec. 22, 1922.

S. 4175—A bill "To amend section 370 of the Revised Statutes of the United States." Reported Jan. 9, 1923.

H. R. 10817—An act "To amend section 100 of the Judicial Code of the United States." Reported Jan. 9, 1923.

H. Con. Res. 53—"To create a joint committee of the Senate and House of Representatives to determine what employment can be furnished Federal prisoners, and for other purposes." Reported with an amendment Jan. 9, 1923.

S. 4029—An Act "Amendatory of and supplemental to an Act entitled 'An act to incorporate the Texas Pacific Railroad Company, and to aid in the construction of its road, and for other purposes,' approved March 3, 1871, and Acts supplemental thereto, approved respectively, May 2, 1872, March 3, 1873, and June 22, 1874." Reported Dec. 16, 1922.

HEARINGS:

S. J. Res. 200 (Johnson), 224 (Townsend), 232 (McCormick), 256 (Lodge), 262 (Walsh, Mont.)—Five joint resolutions proposing amendments to the Constitution giving Congress power to regulate Child Labor. Hearings were held Jan. 10, 11, 12, 13, 16, 17, 18, 1923. Hearings not yet closed, subject to the call of the chairman, Sen. Shortridge (Calif.).

Committee on Military Affairs

Chairman, Hon. James W. Wadsworth, Jr., N. Y. Clerk, Raymond E. Dedendorf.
Meets Fridays.

BILLS REPORTED:

S. 4315 (Wadsworth)—"To amend section 2 of the Legislative, Executive and Judicial Appropriation Act," approved July 31, 1894. Reported Jan. 19, 1923.

HEARINGS:

S. J. Res. 217—"Providing for proportionate distribution among the Statutes of surplus War Material." Hearings were held Dec. 22, 1922.

Committee on Mines and Mining

Chairman, Hon. Miles Poindexter, Wash. Clerk, Howard M. Rice.
Meets on Call of Chairman.

HEARINGS:

S. Con. Res. 31 (Nicholson)—To stabilize the value of silver in the world market. Hearings were held Jan. 4, 12 and 18, 1923.

Committee on Post Offices and Post Roads

Chairman, Hon. Charles E. Townsend, Mich. Clerk, Clarence E. Loomis.
Meets on Call of Chairman.

BILLS REPORTED:

S. 4215—"Granting allowances for rent, fuel, light and equipment to postmasters of the fourth class, and for other purposes." No action.

S. 4248 (Townsend)—"To fix the compensation of employees in post offices for overtime services performed in excess of eight hours daily." Reported favorably Jan. 17, 1923, without amendment.

S. 4429 (McNary)—"Relating to the deposit of postal savings funds." No action.

S. 3078 (Frelinghuysen)—"To provide for the free transmission through the mails of certain publications for the blind." Hearings held Jan. 18, 1923. Reported favorably Jan. 19, 1923.

S. 3084 (Smoot)—"To authorize and provide for the payment of the amounts expended in the construction of hangars and the maintenance of flying fields for the use of the Air Mail Service of the Post Office Department." Hearings scheduled Jan. 23, 1923.

Committee on Public Lands and Surveys

Chairman, Hon. Reed Smoot, Utah. Clerk, Parley P. Eccles.
Meets Wednesdays.

BILLS AND RESOLUTIONS REPORTED

H. J. Res. 180—A Resolution "Extending the provisions of the Act of February 25, 1919, allowing credit for military service during the war with Germany in homestead entries, and of Public Resolution Numbered 29, approved February 14, 1920, allowing a preferred right of entry for at least sixty days after the date of opening in connection with lands opened or restored to entry, to citizens of the United States who served with the allied armies during the World War." Reported favorably Dec. 30, 1922.

H. R. 12174—An act "To authorize the Attorney General to convey land of the United States to Fulton County, Georgia, to widen McDonough Road in front of the United States Penitentiary." Reported favorably Dec. 30, 1922.

S. Con. Res. 30—"Declining divestment of certain land to the United States for national park." Reported Dec. 20, 1922.

S. 3855—An act "To ascertain and settle land claims of persons not Indians within Pueblo Indian land, land grants and reservations in the State of New Mexico."

S. 4223 (Jones)—"To establish a Court of Claims and to provide for the settlement of land claims of persons not Indian within Pueblo Indian lands and land grants in the State of New Mexico." S. 3855 and S. 4223 considered as one bill and referred to subcommittee Jan. 3, 1923. Hearings began Jan. 15 and are still in progress.

S. 4197 (Watson)—"To authorize the Secretary of the Interior to issue to certain persons and certain corporations permits to explore, or lease of, certain lands that lie south of the medial line of the main channel of Red River, in Oklahoma, and for other purposes." Reported Jan. 3, 1923. Sen. Stanfield (Ore.) requested consideration go over until next meeting so the sub-committee could consider.

Committee on Public Buildings and Grounds

Chairman, Hon. Bert M. Fernald, Me. Clerk, Olive B. Boynton.
Meets on Call of Chairman.

RESOLUTION REPORTED:

S. J. Res. 218—Joint resolution to create a commission to consider the proposal of a Central Building for Art and Industry in the District of Columbia. Hearings held Dec. 20, 1922. Reported favorably with amendments. Dec. 20, 1922.

Committee on Territories and Insular Possessions

Chairman, Hon. Harry S. New, Ind. Clerk, Lester Winter.
Meets on Call of Chairman.

BILLS REPORTED:

S. 4309 (New)—"To amend an Act entitled 'An Act to amend an Act entitled 'An Act to provide a government for the Territory of Hawaii,' approved April 30, 1900, as amended, to establish an Hawaiian Homes Commission, granting certain powers to the board of harbor commissioners of the Territory of Hawaii, and for other purposes.' Reported favorably, Jan. 11, 1923.

Committees of the House

Committee on Agriculture

Chairman, Hon. Gilbert N. Haugen, Iowa. *Clerk*, L. G. Haugen.
Meets on Call of Chairman.

BILLS REPORTED:

S. 3220—An Act "To amend sections, 2, 5, 11, 12, 15, 19, 29 and 30 of the United States Warehouse Act, approved August 11, 1916." Reported Dec. 23, 1922.

S. 1452—An Act "Providing shooting grounds for the public for establishing game refuges and breeding grounds, for protecting migratory birds, and requiring a Federal license to hunt them." Reported with amendments Dec. 21, 1922.

HEARINGS:

H. R. 13575 (Summers)—"To provide seed wheat for the drought-stricken area of the State of Washington." Hearings Jan. 6, 1923.

Committee on Appropriations

Chairman, Hon. Martin B. Madden, Ill. *Clerk*, Marcellus C. Sheild.
Meets on Call of Chairman.

(See page 4 for chart of action by this committee on the annual appropriation bills.)

Committee on Banking and Currency

Chairman, Hon. Louis T. McFadden, Penn. *Clerk*, Philip G. Thompson.
Meets Wednesdays.

BILLS REPORTED:

H. R. 13878 (McFadden)—"To amend the last paragraph of section 10 of the Federal Reserve Act, as amended by the Act of June 3, 1922." Reported Jan. 19, 1923.

HEARINGS:

H. R. 13125 (Strong)—"To amend sections 3, 4, 6, 9, 12, and 15 of the Act of Congress approved July 17, 1916, known as the Federal Farm Loan Act." Hearings were held Dec. 21, 1922, Jan. 4, 5, 9, 10, 11, and 15. Referred to sub-committee on 15th. Committee met on 17th. Will probably be reported soon.

Committee on Elections No. 1

Chairman, Hon. Frederick W. Dallinger, Mass. *Clerk*, M. B. LaFrance.
Meets on Call of Chairman.

BILLS REPORTED:

H. R. 13829 (Dallinger)—"To determine proceedings in cases of contested elections of Members of the House of Representatives."

Committee on Flood Control

Chairman, Hon. William A. Rodenberg, Ill. *Clerk*, Henry G. Miller.
Meets on Call of Chairman.

BILLS REPORTED:

H. R. 13810 (Rodenberg)—"To continue the improvement of the Mississippi River and for the control of its floods." Reported Jan. 16, 1923.

H. R. 13459 (Kopp)—"Extending the jurisdiction of the Mississippi River Commission and making available funds." Reported Jan. 18, 1923.

HEARINGS:

Hearings were held Dec. 11, 12, 13, and 14, 1922, on "Mississippi Valley Flood Protection." Statements are included covering flood protection in the states of Indiana, Kentucky, Missouri, Pennsylvania, Texas and Washington.

Committee on Foreign Affairs

Chairman, Hon. Stephen G. Porter, Pa. *Clerk*, Edmund F. Erk.
Meets on Call of Chairman.

BILLS REPORTED:

H. R. 13880 (Rogers)—For the reorganization and improvement of the Foreign Service of the United States, and for other purposes. Favorably reported Jan. 18, 1923.

H. R. 12543 (Rogers)—For the reorganization and improvement of the Foreign Service of the United States, and for other purposes. Hearings held Dec. 11, 12, 13, 14, 15, and 19, 1922. Favorably reported Jan. 18, 1923.

Committee on Immigration and Naturalization

Chairman, Hon. Albert Johnson, Wash. *Clerk*, P. F. Snyder.
Meets Thursdays.

HEARINGS:

H. R. 13300 (Bond)—"To facilitate commerce by prescribing overtime rates to be paid by transportation lines for inspection of arriving passengers and crews." Hearings were held Dec. 16 and Dec. 19, 1922.

H. R. 13269 (White)—"To permit the admission into the United States of refugees from Turkish territories." Hearings were held Dec. 16 and 19, 1922.

H. R. 13830 (White)—"To permit the admission into the United States of refugees from Turkish territories." Hearing scheduled Jan. 23, 1923.

Jan. 3, 4 and 5, 1923. Hearings were held on the "Alleged Labor Shortage."

Committee on Invalid Pensions

Chairman, Hon. Charles E. Fuller, Ill. *Clerk*, Frank T. Moran.
Meets on Call of Chairman.

BILLS REPORTED:

H. R. 13736 (Fuller)—"To increase pensions of persons who served in the Army, Navy, or Marine Corps of the United States during the Civil War, and of widows and former widows of such persons." Reported Jan. 10, 1923, with amendment.

Committee on Irrigation of Arid Lands

Chairman, Hon. Addison T. Smith, Idaho. *Clerk*, G. L. Brandon.
Meets on Call of Chairman.

HEARINGS:

S. 4187—"An Act to extend the time for payment of charges due on reclamation projects, and for other purposes." Hearings were held Jan. 10, 17, 18, 19, 20, 22, 23, 1923.

H. R. 12780—"A bill granting extension of time for repayment of construction charges on the Uncompahgre reclamation project, Colorado." Hearings were held Dec. 21, 1922.

S. 3808—"An act authorizing the Secretary of the Interior to investigate and report to Congress upon the Columbia Basin irrigation project." Reported Jan. 4, 1923.

Committee on Judiciary

Chairman, Hon. Andrew J. Volstead, Minn. *Clerk*, Guilford S. Jameson.
Meets Tuesday and Thursday.

BILLS AND RESOLUTIONS REPORTED:

H. Res. 425 (Keller)—To inquire into the official conduct of Harry M. Daugherty, Attorney General of the United States, and report to the House, etc. Hearings closed. Reported adversely Jan. 10, 1923. Minority views presented by Rep. Thomas Jan. 16, 1923.

H. R. 12123 (Foster)—"For the establishment of an industrial reformatory at Camp Grant, Ill." Hearings held November. 29, Dec. 1 and 11, 1922. Reported Jan. 10, 1923.

S. 1016—"To amend an Act entitled "An Act to repeal section 3480 of the Revised Statutes of the United States." Reported favorably Jan. 18, 1923.

H. J. Res. 256 (Volstead)—Joint resolution proposing to pay certain per diem employees for Nov. 11, 1921. Hearings held Jan. 18, 1923. Reported favorably Jan. 9, 1923.

HEARINGS:

H. R. 11563 (Volstead)—"To amend paragraph 24 of section 24 of the Judicial Code, as amended Dec. 21, 1911." Hearings held Jan. 16, 1923.

H. R. 11967—"To enlarge the powers of the Juvenile Court of the District of Columbia." Hearings held Jan. 8, 1923.

H. R. 12031—"To incorporate the World Commerce Corporation." Hearings held Jan. 11, 1923.

Committee on Merchant Marine and Fisheries

Chairman, Hon. William S. Greene, Mass. *Clerk*, R. G. DeTonnancour.
Meets on Thursdays.

BILLS REPORTED:

H. R. 13773 (Formerly H. R. 11964)—A bill "To amend an Act to regulate radio communication, approved August 13, 1912, and for other purposes." Hearings Jan. 2, 1923. Reported Jan. 12, 1923. Will be taken up for consideration by the House not later than Jan. 24, 1923.

Committee on Naval Affairs

Chairman, Hon. Thomas S. Butler, Pa. *Clerk*, Frank A. Byron.
Meets on Tuesdays and Fridays.

BILLS REPORTED:

H. R. 11127 (Watson)—"To aid and extend the commissary privileges to the widows of officers or enlisted men of the Navy and Marine Corps." Hearings Jan. 15, 1923.

H. R. 13556 (Butler)—"To increase the efficiency of the Marine Corps, and for other purposes." Hearings Jan. 10, 1923. Reported Jan. 15, 1923.

S. 32—An Act "For the relief of contractors, subcontractors, and material men who have suffered loss by reason of Government orders." Hearings Dec. 18, 1922. Reported Dec. 30, 1922.

HEARINGS:

S. 2390 (Pittman)—"To redistribute the number of officers in the several grades of the Supply Corps of the Navy." Hearings Dec. 29, 1922. Considered by the sub-committee Jan. 20, 1923.

THE CONGRESSIONAL DIGEST

Committee on Post Office and Post Roads

Chairman, Hon. Halvor Steenerson, Minn. Clerk, N. E. Nordahl.
Meets on Call of Chairman.

BILLS REPORTED:

H. R. 11193 (Steenerson)—"To encourage commercial aviation and authorizing the Postmaster General to contract for air mail service, and prescribing rates, transportation and postage thereon." Hearings held Jan. 6, Feb. 21, Apr. 28, 29, 1922. Reported Jan. 16, 1923.

S. 2573—An act to amend section 198 of the Act of March 4, 1909, entitled "An Act to codify, revise, and amend the penal laws of the United States," as amended. Reported Jan. 5, 1923.

H. R. 13714 (Steenerson)—"To extend the insurance and collection-delivery service to third-class mail, and for other purposes." Reported Jan. 17, 1923.

Committee on Public Lands

Chairman, Hon. N. J. Sinnott, Oregon. Clerk, Geo. A. Hossick.
Meets on Tuesdays.

HEARINGS:

H. R. 13475 (Sanders)—"To authorize the Secretary of the Interior to issue to certain persons and certain corporations permits to explore, or leases of, certain lands that lie south of the medial line of the main channel of Red River, in Oklahoma, and for other purposes." Hearings Jan. 12, 15, 16, 17, 18, and 19.

H. R. 12233 (Sinnott)—"To authorize the Secretary of the Interior to grant permits or leases to certain persons and corporations for lands and oil and gas deposits south of the medial line of the main channel of Red River, Oklahoma." Hearings Jan. 12, 15, 16, 17, 18, and 19.

RESOLUTIONS REPORTED:

S. Con. Res. 30—"Declining devise of certain land to the United States for national park." Reported Jan. 19, 1923. Passed House Jan. 15, 1923.

Committee on Territories

Chairman, Hon. Charles F. Curry, Calif. Clerk, C. F. Curry, Jr.
Meets on Call of Chairman.

BILLS REPORTED:

H. R. 13631 (Baldwin)—"To amend an Act entitled 'An act to amend an Act entitled 'An act to provide a government for the Territory of Hawaii,' approved April 30, 1900, as amended, to establish

an Hawaiian Homes Commission, granting certain powers to the board of harbor commissioners of the Territory of Hawaii, and for other purposes," approved July 9, 1921. Informal hearings Jan. 12, 1923. Reported favorably Jan. 15, 1923.

Committee on Ways and Means

Chairman, Hon. Joseph W. Fordney, Mich. Clerk, Clayton F. Moore.
Meets on Call of Chairman.

BILLS REPORTED:

H. R. 10816 (Green)—"To amend the Revenue Act of 1921 in respect to capital gains and losses and for other purposes." Reported Jan. 12, 1923.

H. R. 13774 (Green)—"To amend the Revenue Act of 1921 in respect to exchanges of property." Reported Jan. 18, 1923.

H. R. 13775 (Green)—"To amend the Revenue Act of 1921 in respect to credits and refunds." Reported Jan. 18, 1923.

H. J. Res. 422 (Hudspeth)—"Permitting the entry free of duty of certain domestic animals which have crossed the boundary line into foreign countries." Reported Jan. 18, 1923.

H. R. 13827 (Green)—"Relating to the sinking fund for bonds and notes of the United States." Reported Jan. 19, 1923.

S. 2051 (Mills)—"To amend section 3142 of the Revised Statutes, to permit an increase in the number of collection districts for the collection of internal revenue and in the number of collectors of internal revenue from sixty-four to sixty-five." To be reported soon.

H. R. 13770 (Mills)—"To amend the Revenue Act of 1921, in respect to capital gains and losses, and for other purposes." Reported Jan. 12, 1923.

HEARINGS:

H. R. 13636 (Green)—"To amend the Liberty Loan Act." Hearing Jan. 4, 1923.

H. R. 13413 (Mills)—"To amend the Revenue Act of 1921, in respect to capital gains and losses, and for other purposes." Hearings Jan. 8, 1923.

EDITOR'S NOTE.—Due to the large number of bills considered during the past month by the House Committee on Indian Affairs and the Committee on Interstate and Foreign Commerce, and the local nature of the bills considered by the House and Senate Committees on the District of Columbia, these Committees are omitted in this issue. Information desired by our readers relative to action by these Committees for this period will be furnished upon request.

Glossary of Rural Credit Terms

(Continued from page 104)

CREDIT INSTRUMENTS

As used in the Farm Loan Act and rural credits discussion it is the obligation in the form of note or bond given by the borrower, such "credit instruments" in the operation of the Federal and Joint Stock Land Banks being a promissory note payable upon the amortization plan, and secured by the mortgage on the farm.

WAREHOUSE RECEIPTS

These instruments are just what the name implies, receipts given by the warehouseman for commodities stored with him. The duties of the warehouseman are, broadly speaking, to properly house and care for the stored product, and deliver the same in good condition to the order of the consignor upon

demand. Under the Federal Warehouse Act, administered by the Department of Agriculture, there has been worked out a very elaborate yet simple and practical plan of licensing and bonding warehouses, which includes their frequent and rigid inspection, and a receipt from a Governmentally licensed and bonded warehouse for a non-perishable agricultural product is regarded as the very highest type of security for a loan made with due regard for the market value of the product. Several of the states have also enacted legislation for warehouse regulation, and the subject is under consideration in many others. It is not too much to say that a great increase of warehouse facilities is an absolute essential to the final solution of the problem of the "orderly marketing" of farm products which is just now very much in the public mind.

Notes on Foreign Governments

By ANNIE M. HANNAY, M. A., UNIVERSITY OF GLASGOW

These notes will be continued from month to month and when the Foreign Parliaments are in session a review of current legislation in the largest countries will be given.

Additional detailed information in regard to foreign governments may be procured through the CONGRESSIONAL DIGEST, Information Service for a nominal charge.

Questions and answers will be published from time to time in this Department. Address your inquiries to Foreign Department, CONGRESSIONAL DIGEST, Munsey Bldg., Washington, D. C.—*Editor's Note.*

France

Notes on the form of Government of France were printed in the November issue

Parliamentary Debates (Continued from December issue)

CHAMBER OF DEPUTIES

November 10, 1922—M. Poincaré defended his foreign policy. With regard to the situation in the Near East the one aim of France had been to avoid hostilities. France disapproved of the policy of Greece, and, if it had depended on her alone, would long ago have signed the peace of Angora. He explained the retirement from Chanak as having been decided upon only after consultation with the highest military and naval authorities of the country who explained that the French forces there would be at the mercy of any attack and would be throwing away their lives. The retirement was carried out with the consent and even by the authority of the British general commanding at Constantinople. The intervention of France prevented war between Great Britain and the Kemalists. Apart from insisting on the freedom of the Straits it was dangerous to interfere needlessly with the Turks in the hour of victory.

November 13—Debate on budget resumed. Long speeches of criticism of the government with few constructive suggestions. The Minister of Finance, M. de Lasteyrie, insisted that four billion francs was the figure that represented the budget deficit. The burden of the income tax and of the turnover tax fell upon those who made an honest return, while many escaped taxation altogether by being dishonest. He believed that, with a more rigorous application of existing legislation, the income tax and the inheritance tax would yield an additional billion and a half of francs and the turnover tax a billion and a half more. The ordinary budget did not trouble him. It was the special budget. Here he was faced not by a question of finance but by a question of politics. The country would be obliged to find about 20 billions a year for the next few years either at home or abroad to meet this special budget which ought to be covered by German payments. One thing he was sure of was that, even if Germany never paid her debts, France would never become bankrupt.

November 14—Discussion of budget estimates of the Ministry of Justice, the Legion of Honor, the Ministry of Commerce and Industry.

The Minister of Commerce and Industry traced the commercial progress of the past year and cited commercial conventions concluded between France and Finland, Esthonia, Poland, Norway, Canada, Portugal, Spain and Italy. Others were being negotiated with Czechoslovakia and Belgium. He hoped within six months to introduce a new customs tariff bill. During the first nine months of 1922 the exportation of manufactured articles exceeded the importation by 6,918,000,000 francs. As far as foodstuffs and raw materials were concerned, the importation exceeded the exportation. But in the latter case cognizance must be taken of the fact that

four million tons of coal had to be imported because of damage done to coal mines in the war. He expressed confidence in the economic future of France.

November 15—Discussion and passage of bill regulating the tariff on Moroccan products entering France or Algeria.

November 16—Estimates of Ministry of Agriculture discussed. M. Ambrose Rendu gave a rapid exposition of the value of the various agricultural products of France amounting to 18,000,000,000 francs. And yet four billions worth of agricultural products had to be imported. He urged the extensive use of nitrogen to increase the fertility of the soil. Germany produced it in large quantities. Why not make her pay part of her debt in nitrogen?

The Minister of Agriculture said that since the war France had been faced with an economic contradiction: on the one hand, industrial over-production and partial unemployment in the cities; on the other, scarcity of labor and under-production in the country. The agricultural products were the only ones of which the price had been lowered for the consumer. Manufactured articles had increased in price. He went on to outline what had been done to develop electric power in the country, to study the question of the best fertilizers, to obtain improved transportation facilities and to improve the living conditions of agricultural workers. There had been a big decrease in the yield of corn due to bad weather conditions. The making of whole wheat bread had brought about an economy of five or six million hundredweights at least. The mixing of 10% of rye flour with wheat flour had been authorized. The effort made for the reconstruction of agriculture since the war had exceeded the most optimistic anticipations.

November 17—Long speech by M. Poincaré. Referring to the Eastern problem he declared that at no time had the French government been separated from its allies, and that on no question could there be discord between them. Without doubt France was tied to the Turks by the agreement of Angora, but peace was not concluded, and it could only be concluded by an agreement among the allies. He dealt with the "Chequers" plan and subsidiary proposals of M. Loucheur which fell through owing to the opposition of Lloyd George. As to the suggestion of the Bankers' Committee of an international loan for Germany but with a reduction of her debts, M. Poincaré declared that it was the duty of France to oppose it. Meanwhile the mark continued to fall and when in July Germany asked for a moratorium, Lloyd George, without consulting France, declared it to be indispensable. M. André Lefèvre said that for four years German taxpayers had not paid their taxes and that they were not asked to pay them.

Dealing with the London conference, M. Poincaré went on to say that the British Government had issued a note

France—continued

without previous agreement with France, in which it was indicated that a moratorium appeared indispensable, and that the reparations question ought not to be raised in London. However, M. Poincaré and M. de Lasteyrie had made it known that if a moratorium had to be accorded certain fiscal guarantees would have to be taken and control established. While the British Government accepted the principle of control, it remained deaf on the subject of pledges. He had returned to France with empty hands, but with liberty of action, which he had not used out of consideration of Belgium and in order to facilitate a solution at Brussels of the three problems of reparations, inter-allied debts and international agreements. Dealing with the plan of Sir John Bradbury which implied confidence in Germany, M. Poincaré's comment was that France could not have any confidence in Germany because Germany had never seriously wished to pay her reparation debts. Although she could not for the moment pay large sums in paper money or Reichsbank gold, she could execute a reasonable program of payments in kind, and could compel her financiers and manufacturers to bring back part of the foreign currencies they possessed abroad. Or she could borrow as France did in 1871. He went on to explain the financial situation in Germany and argued that she had systematically depreciated the mark, that the financial crisis was of her own making, and that it was time the governments took action on her failure to pay. If an international loan were floated, the premier insisted that the greater part of it should be devoted to reparations.

November 20—Debate on budget of Ministry of Agriculture continued. The request of Alsace-Lorraine to share in the benefits of the agriculture credit association (credit agricole) led to a description of the latter by M. Gavoty. It was founded by the law of August 5, 1920. It grants loans to small farmers up to the amount of 48,000 francs, and it cooperates with agricultural societies in matters of irrigation, drainage, agricultural improvements. Since 1922 it has had power to lend to the departments up to three million francs to purchase abandoned lands which may be let out in small lots to needy farmers. Since its organization it has advanced 322 million francs to farmers.

Estimates for merchant marine passed.

November 21—The estimates for public works were next introduced. M. Robert Thoumyre took up the question of the roads which needed repairing all over France, owing to the large number of automobiles traveling over them and to the heavy traffic during the war. England had a Road Board before the war and spent 2,000 fr. a kilomètre on roads while France only spent 1,000 fr. America had done more than England and had made 19,000 kilomètres of new roads in 1918 alone. Good roads were necessary for the transportation of country produce, and also for the use of tourists, who brought a considerable amount of wealth to France. Canals, railways, mines were also discussed.

The minister of public works called attention to the hydro-electric plants, which produced 2,100,000 h. p. all over France. This would finally be increased to 4,000,000 h. p. This was realized chiefly by means of concessions to private companies. But a national company was in process of formation to develop the power of the Rhone, which would be used to light Paris. Plans were also on foot to use the Dordogne and the Rhine. A bill for the organization of a national office of roads would shortly be presented to the House.

November 24—Budget of Ministry of Labor discussed. The Minister of Labor declared that there had been no

increase in drinking among workmen since the passing of the 8-hour law. The men had been able to live in the suburbs, to cultivate gardens, to practice sports. Classes had been attended and public libraries frequented.

Budget of Ministry of Public Health and Social Insurance discussed. The government was urged to do more for public health by building more sanatoria, more asylums for the temporarily insane, and by increasing its maternity benefits. It was pointed out that in 1921 per 1,000 inhabitants there were in France 214 births, 176 deaths; in Germany 264 births, 146 deaths; in Spain 281 births, 23 deaths; in Italy 318 births, 187 deaths; in Britain 226 births, 135 deaths. The Minister of Public Health did not outline any programme, but promised to do his best in the interests of the health of the country.

November 27—Estimates for Air Service discussed.

M. Bouilloux-Lafont asserted that commercial aviation in France had not progressed as it ought to have done. Too many costly air stations had been built and too many concessions granted over the same routes. There had been a decrease in the number of passengers during the first half of 1922 as compared with the corresponding period of 1921, and an increase in the number of accidents. As far as freight and mail service were concerned, the aerial lines could not compete with the railways. The solution was to make the necessary reforms in the service, to build larger planes and make quicker flights.

M. Charles Guilhaumon was less pessimistic. He believed in a future for France's air service, and urged the establishment of an Air Ministry.

November 28—The Under-Secretary of State for aviation defended the government's policy with regard to the establishment of air routes and landing stations. He gave a detailed programme for the establishment of international air lines, but insisted that things must move slowly.

November 29—Estimates of Ministry of War discussed.

M. Calary de Lamazière stated that the army estimates for 1923 amounted to 3,661,000,000 francs and, with the expenses of the army on the Rhine, to 4,191,000,000 francs. He pointed out some economies that might be practised and a few new expenses that would have to be incurred. He would decrease the size of the armies in Syria and Morocco. It would cost 200 millions to establish the 18 months period of military service voted by the Chamber.

The Minister of War declared that France had gone as far on the road to disarmament as it was possible for her to go. The bill for the reduction of the period of military service to 18 months had been passed. The government had accepted a proposal to reduce the number of divisions of the army from 50 to 32. In four years the budget had been reduced by about a third or by 1,700,000,000 francs. Further economies were practically impossible.

SENATE

November 9—Long speech by M. Lucien Hubert on the occupation of the Ruhr and the continued maintenance of forces on the Rhine. He asserted that the Ruhr produced 100 million tons of coal a year, almost the total produced in the whole of Germany. In 1913 the monthly output of coke was equal to the year's output of the whole of France. Germany produced 11 million tons of cast iron, the Ruhr 9 of those millions. By taking possession of the Ruhr, France would be in a position to force German industry to make its interests synonymous with those of the whole country.

November 14, 16, 21—Bill granting the vote to women discussed at length and finally rejected by 156 votes to 134.

THE CONGRESSIONAL DIGEST

November 23—Private bill making women engaged in trade eligible as members of Chambers of Commerce passed.

Bill passed regulating the protection of young children and providing for the recognition and encouragement of baby clinics.

November 30—Estimates for merchant marine passed.

Bill passed granting an appropriation of 200,000 francs for the erection of a monument in honor of the soldiers of Verdun.

Bill passed granting to departments and communes special advances raised on the funds of the Agricultural Credit Association with which to aid farmers and poor families to obtain small holdings.

Great Britain

Notes on the form of Government of Great Britain were printed in the December issue

Parliamentary Debates

November 20—Opening of the first session of the thirty-second parliament of the United Kingdom of Great Britain and Ireland.

HOUSE OF COMMONS

November 20—Election of Right Hon. J. H. Whitley as Speaker.

November 21—Election of Speaker approved by King. Members took oath of allegiance.

November 22—Members took oath of allegiance.

November 23—King's speech read. It informed the two Houses that bills would be laid before them to give effect to the constitution of the Irish Free State, and to make provisions consequent on the establishment of that state. The speech also made reference to the state of trade and employment; the Houses would be asked to make provision for the continuance and extension of the ameliorative measures prepared by the late government. They would also be asked to guarantee a loan in accordance with the League of Nations scheme for the restoration of Austria. The address in reply to the King's speech was moved by Captain Brass and seconded by Mr. Margesson. Mr. Ramsay MacDonald led off for the opposition. Referring to the Irish question, he spoke sarcastically of the strange and magical transformation that had taken place in the opinions of the Unionists. The conclusion he drew from the history of the Irish question was that the substantial danger was not too much haste, but too little haste. Mr. MacDonald was chiefly concerned with unemployment. He asserted that the Labor Party was not interested in the ameliorative measures prepared by the late government, but in the blunders of the late government which created the conditions out of which the unemployment arose. The official records showed that there were 1,300,000 people still requiring those ameliorative measures. He asked the government to handle the matter in a simple, common-sense manner, and to show an understanding of the terribly distressful condition of the country. He advised the premier to see the deputation of unemployed that had marched to London to see him. He demanded parliamentary control in the foreign policy of the government. He promised to follow constitutional methods in giving expression to labor needs, but he could not promise the government tranquility.

The Prime Minister (Mr. Bonar Law) suggested that the various elements of the powerful opposition would tend to cancel each other. He quoted the recent words to him of the head of the Provisional Government of the Irish Free State: "I can give the British people this assurance that, whatever happens to us, the Irish people is determined upon securing peace, and peace can only be secured by loyally carrying out the treaty on both sides." Mr. Bonar Law was sure that Great Britain would do nothing to give any excuse for going back on the treaty. As the subject of unemployment was to be debated fully later on, he contented

himself with emphasizing the fact that the root difference between the government and the labor party was the belief of the government that the necessary improvement would come from better trade. He adhered to his decision not to see the deputation from the unemployed. The one aim of the government in foreign affairs was peace.

A number of maiden speeches followed, made chiefly by Scottish labor members. Mr. Newbold, a communist, declared that "the banner of Soviet Russia stands erect against the whole capitalist world."

Mr. Kirkwood told Mr. Bonar Law that there would be no tranquility for him except in his grave, if he failed to check their decaying civilization.

November 24—Bills presented by Prime Minister: Irish Free State Constitution Bill, to provide for the Constitution of the Irish Free State; Irish Free State (Consequential Provisions) Bill, to make such provisions as are incidental to the establishment of the Irish Free State Bills, to be read a second time on November 27 and to be printed.

Debate on the address to the King resumed. Foreign affairs were dealt with first.

Captain Berkeley, in his maiden speech, pointed out two dangers in the present international situation. One was the despair that is seizing upon the Central European peoples as a result of their economic situation, the kind of despair that is the brother of international violence. The other danger was that of basing the foreign policy of the country on the group system. It is apt to be met by an understanding among a counter group. For example, there will probably be formed a Russo-Turko-German entente. As an alternative foreign policy he would urge the development of the League of Nations.

The government's policy with regard to the Greeks and Turks was discussed. The chief points debated were the protection of Christian and other minorities, the freedom of the straits and self-determination.

Mr. Morel, a new member, asserted that the present European situation was the outcome of the errors and follies committed at Versailles four and a half years ago. Apart from the restoration of the devastated areas in France, reparations as a mere cash transaction ought to be wiped out altogether. The allied governments had succeeded in getting 54,000,000 pounds sterling out of the German working class, and 56,000,000 pounds sterling had been spent in keeping British troops on the Rhine. The economic fetters put upon the great industrial nation of Central Europe were blasting the whole economic life of Europe. He declared that the foreign policy of the country must be founded upon the inter-economic dependence of peoples.

A debate on the decrease of British trade with Brazil followed and the Secretary of the Overseas Trade Department promised to look into the matter.

Great Britain—continued

November 27—Second reading of Irish Free State Constitution bill. The Prime Minister pointed out that it was practically impossible to alter the constitution bill in the time remaining as it must be passed by December 6, or else the Provisional Government set up in Ireland would come automatically to an end.

Mr. Ramsay MacDonald declared that the less said about the bill the better. Criticism being useless and sympathy dangerous, all the House could do was to allow the bill to become law.

Sir John Simon supported the measure. He said that one of the encouraging features of the situation was that "this constitution is a constitution that has been drafted in Ireland by Irishmen for Ireland." He called attention to points in the Irish constitution which met Mr. Joseph Chamberlain's criticism of the Home Rule Bill of 1893.

Mr. Ronald McNeil declared the treaty to be a "disastrous and indefensible transaction." But the mischief had gone beyond repair.

The bill was read a second time without a division.

Lieutenant-Commander Kenworthy called attention to an attempt made by the government to interfere with the freedom of the press. Selected newspapers had been given details of the careers of men supposed to be the leaders of the unemployed, and had been requested to conceal the fact that the information came from the government.

Mr. Bonar Law said in reply that he took the course he did because he had come to the conclusion that there was a real danger of a serious riot in consequence of his refusal to receive the deputation of unemployed. He had given no instructions as to the method of communicating the information and had no idea of interfering with the liberty of the press.

The Irish Free State (Consequential Provisions) Bill was read a second time. It dealt mainly with Ulster, with the appointment of a governor for Northern Ireland at a salary of 8,000 pounds, the setting up of a court of appeals in Northern Ireland and the fixing of Ulster's contribution towards Imperial liabilities at 7,920,000 per annum.

November 28—Continued discussion of Irish Free State Bills.

Detailed criticism but no change in status.

Mr. Lansbury raised the question of the unemployed marchers still in London. He said there were probably two millions of unemployed in the country, and that there had never been a period of such acute distress. He begged the Prime Minister to reconsider his decision and see the deputation of whom 90 per cent were ex-service men.

Mr. Bonar Law said that, if he thought it would alleviate in the smallest degree the sufferings of the unemployed, he would spend every night of his life as Prime Minister in seeing them. But it would serve no useful purpose. It was not a good thing that men should feel that they could always see the Prime Minister instead of the heads of departments responsible.

November 29—Third reading and passage of the Irish bills.

Debate on housing followed. Mr. Lansbury and Mr. Ammon presented a strong case for a housing scheme which ought to be undertaken immediately.

Mr. Trevelyan Thomson outlined a scheme whereby 5,000,000 houses could be built and let at economic rents at a cost of 2½ million pounds a year to the tax-payers. Various members spoke eloquently and feelingly of the terrible conditions due to lack of housing facilities. The evils of trusts and of private enterprise were fiercely denounced.

The Solicitor-General Mr. Th. Inskip, admitted the terrible need, but could not set forth any government policy.

November 30—Resumption of debate on address in reply to King's speech. Mr. J. R. Clynes again attacked the Prime Minister for his refusal to see the deputation of the unemployed. He was to meet the representatives of the miners and of the railway interests. This created the impression that he felt he could afford to ignore men of the very poorest class. The industrial and commercial conditions of the country were largely attributable, according to Mr. Clynes, to the policy on the question of reparations, to the attitude toward Russia with its possibilities of great markets, and to the complete failure to handle the situation as it should have been handled with regard to Turkey.

The Minister of Labor (Sir Montague Barlow) gave an outline of efforts made by the government to deal with the problem of unemployment during the last four years. He also dealt with the present government's plans to provide work. His proposal included the following:

6,000,000 pounds to be spent on new roads.

10,000,000 pounds to be used for highway maintenance and improvement.

2,000,000 pounds extra grant to Unemployment Grants Committee.

150,000 pounds extra grant for work in agricultural areas.

1,000,000 pounds for post-office schemes.

26,000,000 pounds to be available for export credits scheme and to be increased if necessary.

December 1—Debate on unemployment resumed.

Mr. Philip Snowden declared that the loss of trade with Germany, Austria and Russia explained the increase in the number of unemployed in Britain. The solution was to cancel reparations and restore these markets. Mr. Asquith said no country in the world was so sensitive to the conditions of international trade as Britain. That was the real key to the problem of unemployment. Until the two spectres of reparations and indebtedness were laid, economic stability in Europe was hopeless.

Mr. Bonar Law denounced the labor remedies as calculated to make matters worse. The allies were victorious. German factories, German mines, etc., were not touched. Those of France were almost destroyed. Surely some reparation should be made for this destruction by those who caused it.

The amendment was defeated by a majority of 31.

December 4—Debate on the address resumed. Amendment proposed by Sir John Simon expressing "regret that no mention is made of the repeal of the Safeguarding of Industries Act and of other protective measures which are raising prices, hampering trade and limiting employment." He spoke for over an hour against the act, declaring that it was inflicting a very grave injury on British trade as a whole. Instead of promoting, it was delaying the recovery of exchanges.

Mr. Asquith said he had not seen a form of tariff suggested by anyone, that would not inflict more hardship on the country that resorted to it as a protection against dumping, than any kind of dumping practiced. He ridiculed the idea that the act would have an effect on the fluctuations of the exchange.

Mr. Neville Chamberlain wound up the debate on behalf of the government. He said that no evidence had been given in the debate to show that prices had been raised or employment limited by the working of the act. There was no evidence of any decline in exports due to the measure.

The House divided and the amendment was rejected by 62 votes.

Great Britain—*continued*

HOUSE OF LORDS

November 23—King's speech.

Address in reply to King's speech moved by Lord Erskine and seconded by Lord Queensborough. Viscount Grey spoke as leader of the opposition.

He rejoiced that the coalition government had fallen and said he would not criticise the present government until occasion should arise, when he hoped to be helpful rather than destructive. He was not sure that people realized how ominous the situation in foreign affairs was generally. Turkey and Russia were working together. And the time was not far off, if it had not already come, when Turkey, Russia and Germany would form a combination. With regard to the Near East, the only chance of getting through without disaster was for the allies, France, Italy and Britain, to preserve a united front.

Lord Birkenhead drew attention to the socialist menace in parliament. The so-called labor party polled about 4,000,000 votes in the recent election, while the conservative party only polled something over 5,000,000.

The address was ordered to be presented to the King.

The House adjourned until November 28.

November 28—The Marquis of Lansdowne, in place of Lord Carson, asked the government to publish a statement showing the position with regard to the assessment and payment of damages for malicious injuries to persons and properties of British subjects in Southern Ireland. He reminded the House that, while the primary responsibility for the post-truce malicious injuries was to rest with the Irish government, the British government had not excluded the idea that, if the Irish government should make default, then the ultimate responsibility would rest with the British government. He had no wish to impute want of good faith to Mr. Cosgrove and his colleagues, but they might find it out of their power, in view of the demoralized condition of the country, to do what the British government expected them to do. He, therefore, trusted that the British government would leave nothing undone to see that the poor people whose homes had been destroyed received fair play.

The Secretary of State for the Colonies (Duke of Devonshire) replied for the government. He assured the House that the government would consider it a duty to render full and adequate assistance to the victims of the struggle in Ire-

land. He outlined what had already been done by the British government and the Irish Provisional Government in the case of pre-truce injuries to persons and property. Since the truce of July 11, 1921, the Provisional Government had been responsible for the payment of compensation in the case of British forces injured or killed. With regard to post-truce injuries to property, the matter was more complicated. The problem presented by the enormous material damage done in Ireland since the truce was a staggering one for a new and inexperienced government engaged in a struggle for its own existence. But not only the Provisional Government but the leaders of every party in the Irish parliament had recognized the fact that the liability for compensation to every class of sufferer rested upon the Irish people and the Irish people alone. On November 16 Mr. Cosgrove moved a vote of 5,000,000 pounds for estimated payments during the current financial year for post-truce injuries, and pointed out that further large sums would be required after March 31 next.

November 29—The Irish bills were brought from the Commons and read for the first time.

December 1—Irish bills went through committee of whole House, after a strong denunciation by Lord Carson, who described them as a horrible legacy inherited by the government.

December 4—The Marquis of Lansdowne described the Irish Free State constitution bill as very unsatisfactory, and declared that he had failed in his efforts to reconcile the constitution with the treaty upon which it was supposed to be founded. He believed the bill to be unworkable. Its only merit was that it seemed to give an opportunity to the North and South, after experience of the new freedom, to consider whether, after all, it would not be best for the whole country that they should join hands.

Both bills were read a third time and passed.

The Royal assent to the bills was given on December 5.

A meeting of the Privy Council was held at Buckingham Palace on December 6 dealing chiefly with the establishment of Ireland as an independent commonwealth within the British Empire, after which King George issued two proclamations, giving effect to the new Irish Free State, and appointing Timothy E. Healy first governor-general.

Notes on the Constitution

By HON. WM. TYLER PAGE

A series of twelve articles setting forth the fundamental principles of the United States Government as prescribed in the Constitution

Editor's Note.—The first two articles of this series appeared in the October and November issues. The third installment will be printed in the February number.

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